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NATIONAL POLICY AND ISSUES

ZHANG JINGFU ADDRESSES TRADE UNION CONGRESS

HK090901 Beijing JINGJI RIBAO in Chinese 24 Oct 83 pp 1, 3

["Excerpts" of speech by Zhang Jingfu entitled "Carry Forward the Spirit of the Working Class of Being Master of Its Own Affairs and Be Vanguards in Enhancing the Quality of Enterprises," delivered at the 10th National Trade Union Congress on 23 October 1983--first paragraph printed in boldface]

[Text] From now on, leaders of various localities and departments should regard making up deficits and increasing surpluses as an important work and place it on the agenda. They should also regard it as one of the important tasks of enterprise readjustment for this year and next. This decision was made at an economic forum held by the CPC Central Committee after the 12th CPC National Congress, which was attended by responsible comrades of various localities and departments.

The 10th Chinese National Trade Union Congress is an important and distinguished gathering in the history of the Chinese workers' movement, and is also a grand meeting aimed at further mobilizing and organizing the broad masses of workers and staff to go all out, inspire the spirit, and create a new situation in the socialist modernization program. First of all, I hereby extend my warmest greetings to the congress, and pay my lofty respects and kind regards to all delegates and the broad masses of workers and staffs who are fighting on various fronts of industry, communication and transportation, post and telecommunications, capital construction, commerce, foreign trade, education, science and technology, culture, public health, sports and so forth.

The working class is a leading class in our country, and main force of the socialist revolution and construction. On behalf of the CPC Central Committee and the State Council, Comrade Li Xiannian delivered a speech at the congress. He highly praised the great role of the Chinese working class in the democratic revolution, socialist revolution, and socialist construction. He pointed out that the historical mission undertaken by the working class in realizing socialist modernization was of guiding significance to the convening of this congress. We should conscientiously study and resolutely implement his report.

Since the 3d Plenary Session of the 11th CPC Central Committee, the entire party and the whole nation had shifted their work focus to the socialist economic construction. Far-reaching and historical changes have taken place in our country's economic field and we have made achievements which attract worldwide attention. All of you are from various fronts of various localities throughout the country. You concern yourselves with the present economic situation in our country. Now, let me brief you on the situation. I will express some views on this subject.

I

Generally speaking, the present economic situation in our country is very good. As a result of conscientiously implementing the principle of "readjusting, restructuring, consolidating and improving" in recent years, we have succeeded in solving the problem of a severe imbalance in the proportional relations of the national economy, which occurred during the 10 years of internal disorder. Our national economy has started progressing along a healthy path.

Agriculture has been lifted out of a long-term stagnation and gratifying changes have taken place in it. Production in agriculture, forestry, animal husbandry, side-occupations and fishery has generally increased. Since this year, peasants in our country have succeeded in overcoming severe natural calamities and won another good harvest in agricultural production. The output of main agricultural products such as grain, cotton, and sugar crops and total output value of agriculture will exceed those of last year, a year of bumper harvest. They will exceed established record highs in history. The vast rural areas are thriving and the situation in agriculture is getting better and better. Millions upon millions of peasants are full of joy and their socialist enthusiasm is running unprecedentedly high.

Industry is developing steadily amid readjustment. Due to the fact that we have persisted in assigning the production of consumer goods an important position, we have been successful in changing the backward situation in consumer goods industry, which existed for a long time in the past. There is an average increase of 11.8 percent each year. Heavy industry has actively readjusted its service direction and product structures and provided more and more products for agriculture, light industry, market, technical reforms and exports. A marked progress has been achieved in making the whole industry organize production according to social needs and manufacturing marketable products. Growth rate this year has exceeded the original plan.

Urban and rural markets have become more active and brisk. The quality of manufactured goods for daily use has been markedly enhanced and their variety has also increased. There are more than 4,000 kinds of new textile products with the latest designs on sale in the market. The turnover from retail sale of social commodities has rapidly increased. The sale volume of food, clothing and daily necessities has also extensively increased. The masses have more choice when buying consumer goods. In the past, people could only make a choice between the availability and unavailability of goods. Now

they can make a choice between better and poor products and between the satisfactory and less satisfactory commodities.

There is also a greater development in foreign trade and economic and technical cooperation. In a period of 4 years from 1978 to 1982, there was an increase of 130 percent in total trade volumes of import and export. From January to September this year, there was another increase of 1.5 percent. Over the past 4 years, the accumulated amounts of using and absorbing foreign capital have amounted to \$14 billion. Up to the first half of this year, 105 enterprises using Chinese and foreign investment have been established.

The living standard of the urban and rural people has markedly improved. Their present living standard is the best since the late 1950's. In 1982, average incomes of peasants throughout the country increased by 160 percent compared with 1978. In every worker's household, there was a 38.3 percent per capita increase of incomes, which could be used as living expenses. In addition, dwelling houses for residents, public facilities in cities, social insurance and other collective welfare services have also greatly developed.

We show great concern for the present economic situation, the improvement of people's living standard and commodity prices. In recent years, we have continued to stabilize the prices of daily necessities for our people. The prices of some industrial and agricultural goods have gone up whereas some others have dropped. Although the general price level has slightly increased, basic stability of prices has been maintained. This is a basic situation of commodity prices on market. The increase of people's incomes has far exceeded the increase of commodity prices. This is an objective fact. If we fail to realize or recognize such a fact, this is not an attitude of seeking truth from facts. Therefore, this is a wrong attitude. In the meantime, although our price level is stable as a whole, the prices of some goods, those of certain nonstaple foods in particular, have increased. This has affected the improvement of people's living standards to a certain extent. If we fail to realize this, this is not attitude of seeking truth from facts either. Such an attitude is also wrong. We should continue to stabilize basic commodity prices and improve people's living standard on the basis of developing production. There is no doubt that this is our basic principle for economic work.

Of course, we say that our present economic situation is good. However, it does not mean that there is no more difficulty. Comrade Xiaoping has repeatedly reminded us that although the present situation is good, we should not get dizzy with success. We should pay close attention to the problems and difficulties arising on the road of advance of our national economy. We should take effective measures to solve them conscientiously. At present, our energy supply and communications are still poor and the expansion of capital construction and consumption funds is too fast. All these have exceeded the growth rate of production. To cope with this situation, the central work meeting held last June made a strategic decision that we should

concentrate our material and financial resources to ensure the progress of key construction projects. It adopted resolute measures to curtail capital construction and curb unhealthy tendencies of arbitrary exaction of fees and indiscriminate price hikes. Various localities and departments conscientiously relayed and implemented the spirit of the meeting. Some policies and measures, which have been initially proved to be effective, are being implemented. As long as we gradually and truly implement the guidelines and policies of the central authorities, our economic situation will be getting better and better. In this respect, we should have full confidence in our success.

II

To consolidate and develop the present favorable situation in the economic field, it is an urgent task of the people throughout the country, the working class in particular, to do everything possible to enhance economic results, firmly grasp the work of making up deficits and increasing surpluses, and increase the state financial incomes by a big margin. In accordance with the demands set by the 12th CPC National Congress, we should make great efforts to try to effect a fundamental turn for the better in the financial and economic situation of the state as scheduled.

In recent years, the situation of our industrial and agricultural production has been very good. However, we have not yet done well enough in improving our economic and financial situation. Our state revenue has not been effectively increased, but our expenditure keeps going up. At present, this is a very acute contradiction. Our present financial difficulties should be mainly attributed to the poor economic results in the fields of production, construction, and circulation. There is also a serious waste in capital construction. This year, we have not fulfilled some of our quotas of enhancing economic results. In some localities and departments, economic results have even dropped. All this has shown that although the central authorities have time and again stressed the guiding theory of shifting the entire economic work to the enhancement of economic results, the instruction has not yet been truly followed. There is still a serious tendency of placing undue stress on output value and output and neglecting economic results.

Following the 2d plenary session of the 12th CPC Central Committee, the CPC Central Committee again held an economic forum attended by responsible comrades from various localities and departments. The forum pointed out: From now on, leaders in various localities and departments should take making up deficits and increasing surpluses as an important work and put it on the agenda. This work should also be regarded as one of the main tasks of enterprise readjustment to be completed in this year and next. The forum not only set an explicit demand on the efforts to make up deficits and increase surpluses, but also adopted effective measures. For example, some industrial enterprises have been urged to reduce their losses by more than 50 percent next year. By the end of this year, losses incurred in business should be basically offset. In the meantime, enterprises which have made profits are also urged to increase their surpluses. The amount of loss

incurred in some products manufactured by them should also be reduced by a big margin. The following measures have been adopted: 1) Some enterprises, which are being readjusted, should stop their production; 2) Some enterprises should make up their deficits by the prescribed time. They can only receive a fixed amount of allowances regardless of their losses. The state will no longer provide them with allowances if they fail to make up deficits by the prescribed time. Under such circumstances, party secretaries and factory directors concerned must resign of their own accord, or be removed from their posts immediately. 3) On 25 September 1983, the State Economic Commission issued a circular on the matter of making up deficits and increasing surpluses. The state will no longer provide allowances for the new enterprises which suffer losses or losses incurred after the issuance of the circular. 4) Those enterprises whose surpluses have dropped should be urged to increase the surpluses in light of different specific conditions.

With regard to the work of making up deficits and increasing surpluses of units in the fields of foreign trade, commerce, grain production, agriculture, transport, postal and telecommunications, building construction and so forth, the leading departments concerned should adopt specific methods and measures, to deal with the matter in light of specific different conditions.

While doing the work of making up deficits and increasing surpluses, we should follow a system of leading cadres' responsibility just as we did in accomplishing the task of curtailing capital construction. The forum particularly stressed that we should cut down administrative fees and enterprise management expenditure. Since our country is still very poor, various quarters should be hardworking and thrifty. We should strictly restrict and curtail expenditure, and avoid spending money lavishly and going in for ostentation and extravagance. In particular, we are not allowed to spend the state funds without restraint. This is our present urgent task. We hope that all staffs and workers in enterprises will promote the spirit of being the masters of their own affairs, and be vanguards and make new contributions to the work of making up deficits and increasing surpluses.

Enhancing the quality of enterprises is a basic way for increasing economic results and effecting a fundamental turn for the better in the financial and economic situation. Enterprises are the cells of national economy and the main source for creating social material wealth. At present, the profits and tax payment turned over by enterprises have accounted for about 80 to 90 percent of the total revenue of the state. To feed the people and carry out construction, we should rely on them. The 12th CPC National Congress has decided that we must take the following two steps in our strategic planning: In the first decade, aim mainly at laying a solid foundation, accumulating strength and creating the necessary conditions; and in the second, usher in a new period of vigorous economic development. With regard to the work of laying a foundation, we should handle well macroeconomic relations. Apart from that, it is important that we should grasp the following two things: First, we should do well in grasping key construction projects; second, we should enhance the quality of enterprises. If we fail to enhance the quality of enterprises and lay a solid foundation, it is impossible for us to realize the four modernizations.

In these few years, we should continue to actively and effectively carry out economic readjustment and reform our economic system. In so doing, we will create conditions for enhancing the quality of enterprises with regard to macroeconomics. Therefore, our final purpose in carrying out readjustment and reforms is to enhance economic results and improve the quality of enterprises. Whether we have succeeded in improving the quality of enterprises and enhancing economic results should be regarded as a main criterion for testing the work of enterprise readjustment and the reform of the economic system.

At present, our enterprises are facing a severe challenge. The objective situation has posed the following acute issue among our enterprises: If we fail to effect a fundamental turn for the better in our enterprises and markedly enhance them in both quantity and quality, they will lack vitality at home and competitive power in the world. In a word, they will be unable to make progress and achieve the magnificent goals set by the 12th CPC National Congress.

What are the main manifestations of the poor quality of our enterprises? As far as leading bodies are concerned, a number of leading cadres in some enterprises are comparatively old and their cultural and vocational level is comparatively low. They lack modern management knowledge and the ability of scientific management and policy decision. They have not met the demands of the "four transformations" set on cadre ranks by the CPC Central Committee.

With regard to staff members' and workers' contingents, we know that old workers have gradually retired in recent years and the number of new workers has rapidly increased. The number of young staff and workers has accounted for more than 2/3 of the total number of workers. However, due to the fact that we have not done well in providing them with ideological and political education as well as cultural and technical training, a great number of young workers lag behind veteran workers in ideological consciousness, labor attitude, work style and other things. They are not able to complete their own work well. Youths are the future of the motherland the prospects of enterprises also depend on them. Only by greatly enhancing their political and ideological consciousness as well as their cultural and technical quality, can we completely improve the quality of our enterprises.

As far as the technical level of our enterprises is concerned, we know that their facilities and equipment are obsolete and backward. Facilities and equipment in most of the enterprises have not been renewed for the past 20 to 30 years. Products manufactured by many factories in our country are not up to the standard of the state or the standard prescribed by the departments concerned, let alone in conformity with the international common standards. The variety and designs of our light industrial and textile products are dull and outmoded. They have remained unchanged for the past several decades. At the end of 1982, more than 11 percent of our commodities for domestic sale were kept in stock because of dull variety and coloring, unmarketability and poor quality.

with regard to management and administration, over a long period of time in the past, due to the fact that we placed undue stress on production at the expense of administration and management, our ability in collecting market information and feedback, in carrying out competition, in dealing with the changing situation, and in facilitating production expansion is comparatively weak. In particular, our financial work is now in a state of confusion. The phenomena of tax evasion, holding up profits, practicing fraud, and arbitrarily issuing bonuses and material goods have occurred in a number of enterprises. During last year and the first half of this year, the rate of increase of the total amount of bonuses and excess piece rate wages throughout the country considerably exceeded that of production, tax, and profits turned over to the state and that of labor productivity. This violated objective economic law. If the situation remains unchanged for a long time, accumulated funds needed by the state will be reduced. This will adversely affect the progress of key projects, the balance between supply and demand in the market, and the stability of goods prices. At present, some units arbitrarily increase the amount of allowances and expenses and use public funds to entertain guests and arrange tours for their staff and workers. This will inevitably increase the financial difficulties of the state. We must stop it immediately and seriously handle the cases concerned.

In a word, the quality of leading bodies, workers' contingents, production technology, administration, and management in our enterprises is comparatively poor. It is not in accord with the tasks undertaken by our enterprises in socialist modernization. If we still turn a blind eye to this matter, persist in placing undue stress on objective conditions, rely entirely on the state, and reluctant to discard the practice of "eating from the same big pot" rather than directing our attention to our own internal affairs and devoting our time and energy to improving product quality, increasing variety, and reducing consumption and production costs, some of our enterprises will no longer be able to exist in the future. This is a matter of primary importance which affects not only the survival or death of the enterprises, but also the fulfillment of the target of modernization.

In the meantime, we should also realize that improving enterprise quality and enhancing economic results is not a matter beyond the power of our enterprises. They can accomplish much in this respect because they have a number of favorable conditions for doing so. Since the 3d plenary session of the 11th CPC Central Committee, the work focus of the entire party and the whole nation has been shifted to economic construction. The CPC Central Committee and the State Council have formulated a series of correct guidelines and policies. In particular, the gradual implementation of the guideline of "readjusting, restructuring, consolidating, and improving" has brought about great changes to our economic work and enterprises. Organizational structures of our enterprises are gradually becoming rational and we have achieved initial results in the reform of the structural system. All-round enterprise consolidation is developing profoundly. Staff and workers have enhanced their political consciousness and their cultural, technical, and vocational level. After readjustment, there are a number of enterprises which have done well in markedly improving their quality and enhancing their economic

results. These enterprises include Shoudu Iron and Steel Company, the No. 2 automobile factory, the No. 12 cotton mill in Shanghai, Daqing oil administrative bureau, Shigeli Mine, under Luan mining bureau, in Shanxi, Shandong power administrative bureau, Shanghai railway bureau, Guangzhou ocean shipping bureau, Nanfang mansion department store in Guangzhou, the No. 1 nonstaple food company in Beijing, Shijiazhuang food and beverage company, and so forth. All these units have done well in improving product quality, manufacturing new products, reducing consumption, enhancing labor productivity, promoting safety in production, serving customers, and making outstanding contributions. The quality of some of their products and their main technical and economic levels have been close to or have reached the advanced international level. All these are their common characteristics. They have provided the broad masses of enterprises throughout the country with valuable experiences. On the other hand, we have great potentialities now. If we can substantially reduce various kinds of consumption and effectively fulfill various kinds of quotas, so that each and every unit can produce more products after making their investments, we will further enhance our economic results. For example, our enterprises under ownership by the whole people should pay profit tax to the state in the sum of 14.4 yuan for every 100 yuan profit they make. If the amount can be increased to 29.4 yuan, which was the level of the period of the First 5-Year Plan, the profit tax we obtain every year will increase by more than 10 billion yuan. What a considerable figure! With regard to the situation in some localities and trades, we know that the state-run industrial enterprises in Shanghai have paid profit tax to the state in the sum of 84.52 yuan per 100 yuan capital. However, some localities have only paid 8.81 yuan. With regard to the small tractor manufacturing industry, the production cost of Changzhou tractor plant for manufacturing a small tractor is 1,842 yuan, whereas the production cost of Xingtai tractor plant for manufacturing the same product is 3,230 yuan. The difference is about 1,400 yuan. Difference means potential. The difference in production costs also means the difference in enterprise quality. All these show the importance and urgency of enhancing enterprise quality. As long as we do a solid job and improve the quality of the existing enterprises, we will certainly be able to enhance our economic results. If we further improve the quality of our enterprises, several hundred thousand of our economic cells will have more vigor and vitality. Therefore, there is a very good chance of success in reinvigorating our economy and quadrupling the gross annual value of industrial and agricultural production. We should do our best to turn such a good chance of success into reality. This is a lofty task entrusted to us by history.

III

Lastly, I would like to talk about the way to enhance our enterprise quality.

The enhancement of enterprise quality concerns various aspects of the entire economic work. It concerns the reform of systems, the readjustment of structures, the consolidation of enterprises, the transformation of technology, the exploitation of intellectual resources, and so forth. We must speed up readjustment and reforms, do well in making macrostrategic

decisions, and handle well the relations between the state and enterprises so that our enterprises will have vitality and vigor and feel pressure put on them as well. This will create favorable external conditions for improving enterprise quality. However, enterprises should, in the final analysis, rely on their own efforts to enhance their quality.

At present, we should exert our main efforts to do the following work:

1. We should constantly enhance the political and ideological consciousness of our workers and staff, resolutely resist spiritual pollution, and strengthen the sense of responsibility of the working class as the master of its own affairs. In his work report, Comrade Ni Zhifu said: Staff members and workers should "think and speak like the masters of their own affairs and fulfill their duties as the masters of their own affairs." What an important and illuminating remark! To enhance enterprise quality, it is most important to enhance the quality of our laborers, their political and ideological quality in particular. Therefore, we should extensively and profoundly carry out systematic communist ideological education among all staff members and workers. In so doing, we will thoroughly raise class consciousness of our working class. We should organize the broad masses of staff members and workers to conscientiously study Marxism-Leninism-Mao Zedong Thought. At present, they should particularly study the "Selected Works of Deng Xiaoping." We should persist in unswervingly providing staff members and workers with vivid, lively, and painstaking ideological education. We should carry out ideological work in economic and technical fields and among workers' families, so that it strikes a chord in workers' hearts. We should encourage the broad masses of staff members and workers to foster a selfless communist spirit and to establish a communist attitude to labor of working untiringly irrespective of pay. Communist ideology and communist attitude to labor are not spontaneously established. We should instill them into the minds of the people. During the new historical period, we should on no account relax our efforts to do ideological and political work. On the contrary, we should constantly strengthen our efforts to help staff members and workers enhance their socialist and communist ideological consciousness so that they will be able to consciously resist the ideological influence and corrosion of the bourgeoisie and other exploiting classes, and to resist spiritual pollution of every description. We should make all staff members and workers recognize the principle "first, we must feed the people and second, we must build the country. If we consume everything, there will be no prospects for our country. After feeding the people, if we still have surplus power to carry out construction, our country will stand a good chance of success." They should recognize the principle that as long as we have done well in carrying out socialist construction, developing production, and making our country powerful and prosperous, the living standard of the people will be raised. They should recognize the principle that while attaching importance to material interest, we should vigorously advocate the communist work style and that communist ideals represent the long-term, overall, and basic interests of the working class so that they will correctly handle the relations between the state, collective, and individuals and consciously subordinate individual interests to those of the state and collective, subordinate

partial interests to overall interests, and subordinate immediate interests to long-term interests. In so doing, they will become models in taking the interests of the whole into account, doing things in a careful manner, working hard and selflessly for the public, and observing discipline. We should use our practical actions to bring along the entire people so that they unite as one and strive to fulfill the magnificent goals set by the 12th CPC National Congress. To strengthen ideological and political work for workers and staff members, we should place our emphasis on young workers. Young people are ideologically active and imbued with vitality, and are willing to make progress, study, and think deeply. We should pay attention to giving play to their strong points. However, they lack political experience and experience of life. Their outlook on life and world outlook are being developed. In addition, during the 10 years of turmoil, the concepts of what is right and wrong, what is beautiful and ugly, and what is good and evil were confused. Young people can be easily influenced by unhealthy things. Therefore, we should assign ideological and political work for young workers, a prominent position. In light of the characteristics of young people, we should adopt various vivid, active, and effective forms of education. We should pay special attention to providing them with education on patriotism, revolutionary history, and national traditions so that they will become socialist laborers of the new generation who have ideals, morals, and culture and observe discipline.

2. In accordance with the requirement for making cadre corps more revolutionary, younger in average age, better educated and more professionally competent, we must establish leading bodies of enterprises composed of members who have courage and insight, who are in the prime of life, who thoroughly understand vocational work, and who are bold in creating a new situation in work. The performance and economic results of enterprises are determined by the quality of leading bodies. Leading bodies should keep completely in line with the CPC Central Committee politically and should resolutely implement the line, guidelines, and policy formulated since the third plenary session. They should be far-sighted and energetic, should press on, and should dare to grasp their work and criticize people. Our leading bodies should be ones which are able, effective, and enterprising and which actively keep forging ahead. Our leading bodies must not be ones composed of "good old chaps" who are slow-moving and who attempt nothing and accomplish nothing, still less must they be ones composed of members who are "weak, lazy, undisciplined, and stupid." Members of the leading bodies should diligently study Marxism-Leninism-Mao Zedong Thought and the party's guidelines and policies. They should also study knowledge of modern management and science and technology so that they will enhance their political level, improve their technical and vocational ability, and do well in making policy decisions in administration.

3. We should encourage and organize the broad masses of workers and staff members to study culture, technology, and management skills. At present, cultural and technical levels of workers and staff members in our enterprises are low. This situation should be changed. According to statistics, in industrial departments throughout the country, the number of workers and

staff members whose cultural level is below that of junior middle school education accounts for 78 percent of the total number of workers and staff members. Illiterate and partly illiterate workers account for 7.9 percent. The numbers of those workers and staff members who received senior middle school and university education only account for 20.4 and 1.6 percent respectively. As far as technical grades of workers are concerned, the number of workers in grades 1 to 3 accounts for 71 percent of the total number of workers, whereas the number of workers in grades 4 to 6 accounts for 23 percent. The number of workers in grades 7 to 8 only accounts for 2 percent. The number of engineering and technical personnel is very small. There are only 1.21 million engineering and technical personnel in manufacturing industry under ownership of the whole people. They only account for 3.45 percent of the total number of workers and staff members. To build our country, we must have knowledge and master sciences. To acquire knowledge, we should study tenaciously and patiently. To build socialist modernization and to fulfill the great historical mission of the working class, we should also study tenaciously and patiently to expeditiously enhance our cultural, technological, and management levels. To improve the quality of workers and staff members, apart from providing our workers with political education, we should help them make up cultural and technological lessons which they have missed. In recent years, an upsurge of study has been set off throughout the country. The work of training staff members and workers is developing vigorously. We have scored marked success in this respect. The present cultural and technical level of our workers and staff members is still far from meeting the demands of our task and of the four modernizations. In our struggle to strive for the four modernizations, our working class should gradually master intellectual work. Without knowledge, it is impossible to build our country. Without modern knowledge, it is impossible to carry out modernization. We should establish a practice of attaching importance to studying and respecting knowledge. We should take it as an honor to acquire knowledge and regard as being a disgrace having no knowledge. Intellectuals are a part of our working class. Comrade workers should enthusiastically unite with, respect, and take good care of them. They should modestly learn from them and enthusiastically support their work. We should resolutely follow and conscientiously implement the party's policy toward intellectuals. Intellectuals should also consciously learn from workers, go right to the frontlines of production, and integrate themselves with workers. They should learn from one, learn from others' strong points to offset their weaknesses, and make progress together. At present, some people in the world talk about technological revolution and industrial revolution. They harbor their own intentions in expressing their views. In the meantime, their views are incorrect. However, such events given us a hint: we should constantly master new knowledge, attach importance to the exploitation of intellectual resources, and prepare to meet new challenges. We should rouse ourselves to expeditiously unite with and narrow the gap between us and the advanced level of the world.

4. We should extensively promote technical progress and expeditiously place production enterprises on the basis of new and advanced technology. Furthermore, by speaking, to improve the quality of enterprises and to enhance

our economic results, we should rely on technical progress and the improvement of administration and management. We should push these two "wheels" simultaneously. We should considerably enhance the technical level of our enterprises in order to carry out modernization programs, reinvigorate the economy, and fulfill the task of quadrupling the gross annual value of industrial and agricultural production. Today, science and technology in the world are forging ahead day after day. We should do all we can to catch up and to free ourselves from backwardness as early as possible. We should place our emphasis on manufacturing new products and formulate plans for technical development aimed at enhancing product quality and reducing consumption. We should carry out technical reforms in enterprises in a planned way and step by step. Comrade Ziyang recently pointed out: the problem of enhancing economic results and the quality of enterprises is, in the final analysis, a problem of improving product quality and reducing consumption. Product quality and the consumption of materials is an important criterion for testing the quality of an enterprise. The enhancement of product quality actually means creating more wealth. The reduction of material consumption also means creating more wealth. Around these two issues, we should form three-in-one leading groups consisting of leading cadres, engineering and technical personnel, and workers to carry out technical innovation, tackle key technical problems, renew obsolete equipment and facilities, and reform backward technology. Trade unions should extensively mobilize and organize the masses to carry out mass activities of technical innovation and raising rationalization proposals. We, the broad masses of comrade workers, have been working on the frontline of production for a long time. We are very familiar with problems arising in production. Since we have a wealth of practical experience, we should give play to our wisdom and ability. We should use our brains, contribute our ideas, suggest ways and means, tap our potentials, and carry out technical innovation. We should use our own hands to change the backward situation in our enterprises.

5. We should do well in all-round enterprise consolidation and gradually realize the modernization of management. In the process of carrying out enterprise readjustment, we should strengthen various kinds of fundamental work, including all-round planned management, all-round quality control, all-round economic accounting, the work of technical standardization, the work of fixing the number of workers and production quotas, the work of calculation and testing, the work of original record and statistical analysis, the work of data processing and market prediction, and so forth. Only by doing these kinds of work well, enhancing enterprise quality, and carrying out scientific administration and management can we lay a solid foundation. All comrade workers should carry forward the work style of "three honest and four strict," initiated by workers in Daqing, take an active part in these kinds of work, and conscientiously implement the policies concerned. In the meantime, in accordance with the principle of "collective leadership of the CPC committees, democratic management of staff members and workers, and administrative command of factory directors," we should establish a healthy leadership system in enterprises. Democratic management of staff members and workers is an important component part of the leadership system in enterprises. In socialist enterprises, staff members and workers and

the masters of the enterprises. If staff members and workers are deprived of their status and rights as the real masters of their own affairs, their enthusiasm and creativeness will not be brought into full play. Thus it will be impossible to run the enterprises well. Now some enterprises have established a system of convening congresses of staff members and workers. However, such a system has not been effectively made use of. In some enterprises, such a system has become a mere formality. The key to overcoming such phenomena lies in the fact that CPC committees should strengthen and improve their leadership over congresses of staff members and workers. CPC committees should educate cadres and party members so that they establish the idea of wholeheartedly relying on the broad masses of workers and staff members to run their enterprises well. They should guide workers and staff members so that they will correctly exercise their democratic rights as the masters of their own affairs. CPC committees must see to it that congresses of workers and staff members exercise their rights provided for by stipulation. They should attach importance to the art of leadership and be good at embodying the correct intentions of the CPC committees in the resolutions of the congresses of workers and staff members through the activities of the party members. Members of the CPC committees and all party members and cadres should implement the correct resolutions of the congresses of workers and staff members in an exemplary way. Leading cadres and management personnel should diligently study knowledge of modern management and master the skills of modern management so that the modernization of enterprise management will be realized as early as possible.

Enhancing the quality of enterprises is an urgent matter in the economic work. This is also a problem which can be solved only through exerting painstaking and unremitting efforts. We must follow a down-to-earth style of work, quietly immerse ourselves in hard work, and do things in a well-organized way in order to accomplish various tasks well. This is a matter which has far-reaching impact. I hope that we will study and discuss it and sum up experience in this respect. We should seek practical and effective ways for enhancing enterprise quality in light of the practical conditions of the units concerned.

NATIONAL POLICY AND ISSUES

MI ZHIFU ADDRESSES TRADE UNION CONGRESS

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[Slantlines denote XINHUA printing instructions to "Begin boldface" and "End boldface"]

[Text] Beijing, 26 Oct (XINHUA)--Mi Zhifu's work report at the 10th National Trade Union Congress of China on 18 October 1983: "Display the Spirit of the Working Class in Acting as Masters in the Course of Building the Socialist Material and Spiritual Civilizations."

Delegates and Comrades:

The 10th National Trade Union Congress of China is now in session, immediately following the convocation of the 2d plenary session of the 12th CPC Central Committee. At the 2d plenary session of the party Central Committee, the "Decision of the Central Committee of the Communist Party of China on Party Rectification" was adopted, Comrades Deng Xiaoping and Chen Yun delivered important speeches on questions concerning party rectification, and Comrade Deng Xiaoping also emphatically discussed how to improve work on the ideological front. The spirit of the 2d plenary session of the party Central Committee is of immense and far-reaching significance for guiding China's workers' movement and trade union work. The party Central Committee and the State Council, attaching great importance to our congress, are concerned about it. The speech made by Comrade Li Xiannian on behalf of the party Central Committee and the State Council has very important contents. We should seriously study it and resolutely implement it. On behalf of the Ninth Executive Committee of the All-China Federation of Trade Unions, I now submit a work report for examination and approval by the present congress.

1. Five Years of Triumphant Advance

It has been 5 years since the Ninth National Trade Union Congress of China was convened. In these 5 years, our party and our state, adhering to the Marxist line restored by the 3d plenary session of the 11th CPC Central Committee, have achieved a great historic change and won great victories acknowledged by the whole world. These 5 years were a period in which we set things right, constantly brought forth new ideas, overcame difficulties, and advanced triumphantly.

In these 5 years, China's workers' movement and trade union work, following the course charted by the party Central Committee, have gradually moved on to a path of sound development. In the speech delivered by Comrade Deng Xiaoping at the Ninth National Trade Union Congress on behalf of the party Central Committee and the State Council, he clearly pointed out the new, great historical mission of China's working class, urged the working class to make outstanding contributions to the accomplishment of the four modernizations, and asked the trade unions to maintain close links with the masses and to be organizations that the workers and staff members trust and that speak and work for the workers and staff members. Comrade Deng Xiaoping's speech has correctly reflected the objective law for the development of China's socialist modernization and workers' movement and expressed in a concentrated way the ardent aspirations of the broad masses of workers and staff members. It is a programmatic document for guiding the workers' movement and the trade union work in the new period. The line, principles, and policies laid down since the 3d plenary session of the 11th party Central Committee have constantly promoted our efforts to set things right in the workers' movement and in trade union work. In the meantime, the party Central Committee has issued many directives on trade union work. In particular, the Secretariat of the party Central Committee clearly and further pointed out the character and tasks of trade unions in March this year. It is under the leadership of the party Central Committee that we have rapidly restored and developed our trade union organizations and the situation in our trade union work is becoming better and better. Our workers and staff members have constantly raised their political consciousness and enhanced their constructive ability. They have made outstanding contributions in maintaining stability and unity, restoring and developing the national economy, and promoting a turn for the better in the standards of social conduct. Without the correct leadership of the party committees at all levels, the energetic support by the governments at all levels, and the enthusiastic assistance of various mass organizations, the triumphant advance of China's workers' movement would have been impossible. On behalf of the All-China Federation of Trade Unions, I hereby extend my high respects to the party Central Committee, the State Council, and local party committees and governments at various levels and give my heartfelt thanks to all mass organizations.

/In these five years, China's workers and staff members have worked hard and tenaciously, scoring tremendous achievements in the development of the four-modernizations drive./ During the past five years, China has forged ahead in the course of overcoming serious imbalance in its national economy. In the face of difficulties, the broad masses of workers and staff members, showing the attitude that as the nation's masters "we are responsible when our nation is in difficulties," have resolutely implemented the guideline of readjusting, restructuring, consolidating, and improving the national economy; enthusiastically participated in consolidating enterprises and reforming the economic system; and developed socialist labor emulation drives extensively and in a deep-going manner. Earnestly following the national plans, the workers and staff members on the industry and communications front have either increased or limited their production, or switched to the manufacture of other products. They have worked hard to lower the consumption

of raw materials and energy, open up new avenues for production, increase production varieties and designs, turn out more high-quality products, and raise labor productivity. They have helped many enterprises turn their losses into profits. Many of their products have exceeded the standards set by the advanced enterprises in the world. The workers and staff members on the capital construction front, especially those who are working on key projects, have given full play to the spirit of pioneering the cause and of "dedicating themselves to the four-modernizations program and bringing benefits to the people," met obstacles head on, overcome dangers and difficulties, and completed many key projects and put them into operation with faster, better, and more economical results, thus creating conditions for invigorating the national economy in the 1990's. Aimed at doing business in a civilized manner and offering the best services, the workers and staff members on the finance and trade front have scored fresh achievements in benefiting the people and making things convenient for them, in promoting the exchange of supplies between cities and the countryside, in ensuring supplies, and in invigorating the economy. The workers and staff members in the fields of education, science, culture, public health, and sports have scored remarkable achievements in training competent people for the development of the four-modernizations program, in enlivening the cultural activities of the masses, in improving the people's health, in helping people build a strong physique, and in mounting the pinnacles of modern science and technology. The broad masses of retired workers and staff members have continued to play well their role in passing on their skills, to show enthusiasm in promoting public welfare, and to make fresh contributions to the development of the four-modernizations drive. "To change the face, win honor for the country, and to start with me and with my own job" has become the conscious action of more and more workers and staff members. The workers and staff members have become more and more enthusiastic in broadening their cultural, and scientific and technical knowledge. Rational proposals, technical innovations, and activities for technical coordination have flourished among the masses. From 1980 to 1982, workers and staff members throughout the country put forward 4.33 million rational proposals, and made more than (346,000) technical breakthroughs. The warm enthusiasm for their work and the spirit of creativeness of the workers and staff members on all fronts constitute a decisive factor in helping the rapid recovery and continual development of China's economy in the past few years. At the same time, there has also been marked improvement in the living conditions of our workers and staff members, while production is being developed. Most of the workers and staff members have received pay increases, and the number of their family members with jobs has increased. The average income per member in the families of workers and staff members has generally increased. The living conditions of some workers and staff members have been improved. There is an economic depression in the capitalist world, but China has made progress in developing its national economy and raising its people's living standards. All this progress has demonstrated the superiority of the socialist system.

During these 5 years, there has been a gradual expansion of the democratic rights of workers and staff members in China in the management of various enterprises and undertakings./

The proposal made by Comrade Deng Xiaoping in his speech at the Ninth National Trade Union Congress that all enterprises, without exception must undergo democratic management has won warm support from among the broad masses of workers and staff members. The "Provisional Regulations on Congresses of Staff Members and Workers of State-Owned Industrial Enterprises" transmitted by the party Central Committee and the State Council in 1981 have expedited the process of workers' democratic management of enterprises and establishments. By the end of last year, workers' congresses had been set up in nearly 200,000 units throughout the country, including basically all the large and medium-sized enterprises, and the democratic election of leading administrators had been carried out, on an experimental basis, in those enterprises that had gone through the initial stage of reorganization. Workers' congresses are a basic form through which the broad masses of staff members and workers exercise their democratic rights. The enthusiasm and initiative of staff members and workers have been noticeably enhanced wherever democratic management has been earnestly upheld.

Over the past 5 years, Chinese workers' consciousness has continued to surge. Their conviction has become even firmer, and their spiritual outlook has noticeably changed./ Thanks to the discussion of the criterion of truth and the study of how to uphold the four basic principles--particularly the study of the resolutions of the 6th plenary session of the 11th CPC Central Committee and the documents of the 12th party congress--while reviewing the major victories won in the political, economic, cultural, and other fields in our country, the broad masses of staff members and workers have smashed the bonds of "two whatevers"; gradually eradicated the ideological chaos created during the decade of internal turmoil; increased their understanding of the party's lines, principles, and policies; and developed a greater confidence in the leadership of the party and the future of the motherland. As noted by staff members and workers, while reviewing the changes, the more clearly they examine the policies, the more correct they discover them to be; the more they look at the party Central Committee, the wiser they find it has become; and the more they look at the four modernizations, the more promising they find them. For the sake of revitalizing China, the broad masses of staff members and workers have become willing to seek knowledge and study Marxist truth, and have begun to more actively participate in activities related to "five stresses, four beauties, and three loves," and in formulating and abiding by the "Codes of Conduct for Staff Members and Workers," and in striving to become "qualified workers" during the new period, thus heightening their patriotism and national pride, increasing their socialist consciousness, and becoming more capable of resisting the inroads of decadent capitalist ideas.

While the broad masses of staff members and workers have actively thrown themselves into building the two civilizations, the building of the two civilizations has tempered the broad masses of staff members and workers.

Old model workers still radiate the vigor of their youth, and many new, advanced personages have come to the fore. Today the nation has 11 million advanced models at and above factory-level units, and numerous female and young workers have become Red-banner pacesetters and shock forces in the new long march. Among these advanced models there is Zhao Chune, a communist fighter who has dedicated herself wholeheartedly to selfless work and serving the people; there are Luo Jianfu, Jiang Zhuying, Luan Fu, Lei Yushun, and Zhang Tongxing, who have dedicated themselves entirely to our country's scientific and technological development; there are Cai Xiuling and Chen Jinnong, who dare to carry out technical innovations and strive to increase the output of quality consumer goods for the people; there are Ai Youqin and Fu Changwang, who love their mines as much as they love their own homes, who persist in doing solid work, and who care for their class brothers more than for themselves; there are Wang Li and Zhao Fan, who dare to resist unhealthy trends and firmly safeguard the interests of the party and the state; there are An Ke and Yang Wei, who feared no sacrifice and gave up their own lives to rescue others; there is Li Shouhuan, a sanitary worker who, for the sake of others' cleanliness, has consistently engaged in sanitation work for 20 years; there is Qin Shenyuan, a rural teacher who works wherever life is hard and who has achieved outstanding success wherever she has worked; there is Zhou Lirong, who has been honored as a "good doctor of the people" and who regards his patients as his kin; and there are Yang Jihai and Wang Yixuan, who loyally carried out their duties and waged a life-and-death struggle against airplane hijackers to safeguard passengers' safety and state property. All these examples indicate that the Chinese working class is worthy of the name of being the main force in the revitalization of China and the leading class in the country. Here, on behalf of the All-China Federation of Trade Unions, I wish to extend my highest respects to those advanced model workers who have made prominent contributions in building the two civilizations! I also wish to extend my most cordial regards to the families of those advanced model personages who have gloriously laid down their lives for the country and the people.

/During these 5 years, China's trade union organizations, following the party's guidelines, have carried out a series of tasks to set right the guiding ideology and have played a positive role in uniting the broad masses of workers and staff members and leading them to forge ahead./

We have incessantly eradicated the influence of "leftist" erroneous thinking, distinguished right from wrong in the past, and corrected the orientation of trade union work. The "leftist" errors during and prior to the "Great Cultural Revolution" inflicted serious damage on trade union work. By setting things right after the 3d plenary session of the 11th CPC Central Committee, we have redressed unjust, false, and wrong cases; implemented the policy of emulating model workers; distinguished right from wrong in the history of the workers' movement since the founding of the nation, and reaffirmed the contributions to the workers' movement and trade union work made by Comrades Li Lisan, Lai Ruoyu, and others. It is wrong to label their efforts to explore the laws governing trade union work under socialist conditions as a practice of "empiricism," "syndicalism," and "right deviationist opportunism."

On the basis of the party's demands and the aspirations of the masses, we have worked hard to proceed from reality and have restored and developed trade union work. After shifting the focus of the work of the party and the state, we have changed our erroneous past practice in doing trade union work with class struggle as the key link, and shifted the emphasis of trade union work to a path with the four-modernizations drive as the core. On the basis of the actual needs for restoring and developing economy, we have developed, among the workers and staff members throughout the country, first, mass activities to increase production, practice economy, and make contributions to the four-modernizations drive and, later, mass activities to create, learn from, and catch up with the advanced. We have gradually strengthened education among the workers and staff members in ideology, politics, culture, and technology; corrected the tendency to ignore ideological and political work; incessantly made ideological and political work more attractive, appealing, and persuasive; and paid particular attention to strengthening ideological and political work among young workers and staff members. On the basis of the actual needs of workers and staff members in livelihood, we have also actively organized various activities for mutual assistance among the masses, and helped the workers and staff members solve many difficult problems in their everyday life.

We have regarded the institution of the system of convening congresses of workers and staff members as the focal point in doing trade union work and have made use of this system to give impetus to the development of other work. During these years, trade unions at all levels have vigorously promoted democratic management among various enterprises, undertakings, and units. Basic-level trade unions have earnestly shouldered their responsibility as organizations to work for the congresses of workers and staff members, incessantly helped workers and staff members strengthen their sense of responsibility as the masters of their own affairs, and improved the management of various enterprises and undertakings. Through the congresses of workers and staff members, trade unions have done a great deal of work to promote and develop production, improve work and living conditions and the wage-and-reward system for workers and staff members, provide ample labor insurance, and protect the particular interests of female and staff members.

We have consolidated and improved trade union organizations and strengthened ties with the masses of workers and staff members. Trade union organizations have continually expanded following the restoration and development of trade union work. The number of basic-level trade union organizations reached 47,140 in 1982, marking an increase of 31.7 percent as compared with 1979, and the number of trade union members that year reached 73.31 million, marking an increase of 42 percent as compared with 1979. In order to keep in pace with the rapid development of trade union organizations and trade union work, 30,000 halls have been newly built or restored throughout the country for trade union cadres at all levels. Together with short-term training classes sponsored by the basic-level trade unions, they have trained a large number of trade union cadres and activists. In order to satisfy the needs of the broad masses of workers and staff members for cultural development, the trade unions have built and set up a fairly large number of palaces of culture, clubs,

and schools for the workers and staff members. There were more than 24,500 palaces of culture and clubs of all types for workers and staff members throughout the country in 1982, doubling the number of 1979. Clubs for workers and staff members have been established in 76 percent of county towns. There are over 1,500 schools for workers and staff members sponsored by local trade unions and over 11,400 schools sponsored by basic-level trade unions. As of the end of 1982, more than 165,000 people had graduated from or completed courses in colleges and institutes for workers and staff members sponsored by trade unions. To improve the physical health of staff members and workers, trade unions have actively reinstated recuperation services for them. Sanatoriums sponsored by trade unions have now more than 33,000 beds. GONGREN RIBAO and other papers and journals sponsored by trade unions at all levels have now become important means for educating staff members and workers, reflecting their voices, and exchanging trade unions' work experiences.

We have also strengthened our international ties and developed our friendship with workers in various countries. We have now reinstated and established friendly ties with the trade union organizations of 120 countries and regions. Mutual understanding and friendship have been enhanced and developed through bilateral exchanges and multilateral activities. Beginning this year, we have also reinstated our activities in international labor organizations.

Comrades: The development in the operation of our country's trade unions is inseparable from the hard work of a large number of advanced trade union collectives and nearly 10 million trade union activists who have not withdrawn from production. The 100 or so advanced, grassroots trade unions, the nearly 1,000 advanced trade union groups, and the nearly 10,000 outstanding trade union workers to be commended at this congress are their prominent representatives. Because of their zeal in serving the masses, in bringing warmth to numerous families and in freeing their minds from worries, in sharing weal and woe with the masses and in making progress along with them, the broad masses of outstanding trade unions have been acclaimed by the masses and have won their trust. Among these outstanding trade union workers are Ge Delin and Song Shengbin, who have run their trade unions as "homes for staff members and workers"; Cai Yingchang and Dong Xiangge, who have worked tirelessly to perform good services for staff members and workers; Wang Huailin, "a close committee member who devotes herself heart and soul to serving female workers", and so forth. We now have a mammoth contingent composed of nearly 10 million trade union activists and a large number of advanced and exemplary personages, workers' representatives, and leaders of technical collaborations and cultural and sports activities. It is an honor for our trade unions to have these people, who are indispensable forces in the vigorous development of trade union operation. Here, on behalf of the All-China Federation of Trade Unions, I wish to extend my cordial regards to the broad masses of trade union workers!

Although we have achieved great successes in the past 5 years, the situation of both our staff members and workers and our trade union operation, however, are still way behind the requirements of the party Central Committee, the

wishes of staff members and workers, and the requirements of the development of modernization. Owing to the negative influence of the decade of internal chaos, the corrosion and invasion of ideas of the bourgeoisie and other exploiting classes under the new situation, and also the great changes in the contingent of staff members and workers caused by the replacement of the old by the new in recent years, plus our failure to catch up in our operations in many fields, the consciousness of our staff members and workers is uneven and their sense of organization and discipline as well as their educational and technical level are still incompatible with the requirements of modernization. Because of certain noteworthy shortcomings and problems in the operation of our trade unions, most notably insufficient investigation and study of the new situation, and new problems appearing in trade union work and among staff members and workers, inadequacy in promptly reflecting the wishes and requests of staff members and workers, and insufficient efforts in struggling against the infringement of the legitimate rights and interests of staff members and workers, the close ties between trade unions and the staff members and workers have been adversely affected. We must earnestly sum up our experiences, accomplish further successes, combat our shortcomings, and do our jobs even better. In light of the experiences and lessons that we have gained and learned since the founding of our country, particularly during the past 5 years, and in accordance with the instructions of the party Central Committee and the wishes of staff members and workers, the general policies for trade union operation during the new period should be: /To regard the four modernizations as the central goal; speak and work on behalf of staff members and workers, safeguard their legitimate rights and interests, intensify ideological and political and cultural and technical education for them; build a contingent of ethical, educated and disciplined staff members and workers with lofty aspirations; and give full play to the working class' role of being the main force in building the socialist material and spiritual civilizations./ We believe that, so long as we continue to eradicate the erroneous influence from either the "left" or the right, earnestly implement the general policies for trade union operation during the new period, strengthen the building of trade unions, and work hard and advance with a trailblazing spirit, we certainly can create a new situation for our country's workers' movement.

2. The Glorious Tasks in the New Period

The 12th party national congress laid down the grand guiding principle of creating a new situation in all fields of socialist modernization, clearly pointed out the road to building socialism with Chinese characteristics, and thus displayed the magnificent prospects for our national prosperity and for the people's well-being and happy life. China's working class, under the leadership of its own vanguard, has fought indomitably, one stepping into the breach as another fell, for national liberation and for the people's happiness. It has joined the people throughout the country in overthrowing the three big mountains [imperialism, feudalism, and bureaucrat-capitalism], establishing a brand-new socialist society, and making important contributions to the victorious development of our socialist revolution and construction. Today our workers' movement has entered a new period, in which it will struggle

heroically for socialist modernization. In the course of building the socialist material and spiritual civilizations, our working class acts as the main force. China's workers and staff members should carry on glorious revolutionary traditions and bring their initiative, enthusiasm, and creativity into still better play. While constantly enhancing economic results, they should strive to quadruple the gross value of China's industrial and agricultural production by the end of this century and work hard to gradually modernize our industry, agriculture, national defense, and science and technology and to build China into a powerful socialist country that is culturally advanced and highly democratic.

In order to achieve these grand objectives, we should do firm and solid work and lay a good foundation from now on. In the 5 crucial years, we should strive to bring about as soon as possible a fundamental turn for the better in the country's financial and economic situation, in the standards of social conduct, and in party style. At present, our most conspicuous problem in economic development is how to improve economic results. Only when the economic results of our enterprises and our society are enhanced, can we make our enterprises have great vitality, forcefully promote the four modernizations, better satisfy the people's daily-increasing material and cultural demands, constantly raise the living standards of workers and staff members, and bring about a fundamental turn for the better in the country's financial and economic situation. Therefore, striving to improve economic results has become the most urgent and important militant task of our workers and staff members at the present time and for a period in the future.

The 2d plenary session of the 12th CPC Central Committee, which has just come to a close, has given us new inspiration and additional strength. Our workers and staff members of various nationalities must resolutely implement the guidelines of the plenary session; have greater pride, enthusiasm, confidence, and determination to develop China; train more qualified personnel for China's development; fulfill the duty of developing China; and join the people of various nationalities throughout the country in making still greater contributions for the great cause of socialist modernization.

/Raise Class Consciousness and Conscientiously Observe Discipline/

The working class is representative of the advanced productive forces and the advanced relations in production, as well as a leading force in socialist modernization. At present, the output value created by China's workers and staff members accounts for 70 percent of the total output value of society as a whole, and the taxes and profits delivered by them to the state account for more than 80 percent of state revenues. Because of the important role of the working class in the economic life of the country, the thinking of the working class affects all of society. Whether or not the working class has high political consciousness, superior skills, good working performance, and strict discipline will decide the success or failure of the four modernizations and affect our country's future and destiny. In order to raise class consciousness, it is most important for the workers and staff members throughout the country to consciously understand this historical role and duty of

the working class in the new period. Every worker or staff member should deem the important historical duty of the working class an incomparable honor and take great pride in being a member of the Chinese working class.

Our class consciousness must be demonstrated by whole-hearted devotion to the four modernizations; reflected by our attitude toward the state, enterprises, establishments, and social life; and manifested by the actual deeds of doing our jobs well. Among our staff members and workers, the negative influence caused by the anarchistic and ultra-individualistic ideas of the decade of internal chaos must never be underestimated. Today we must inherit and carry forward the glorious traditions manifested by the "mengtai spirit" of the 1950's and the "iron-man spirit" of the 1960's, keep abreast of the new situation and new conditions, never stop combating negative factors, and acquire a new outlook for the 1980's that is characterized by the spirit of the working class, the masters of the country. We must encourage the communist attitude toward work, an attitude characterized by dedication to the four modernizations and giving no thought to personal gains or losses, and combat the erroneous concept of "putting money above all else." We must encourage people to be honest persons, talk honestly and work honestly, voluntarily set strict requirements for themselves and strictly abide by discipline. Laxity in discipline, such as working listlessly, refusing to work while on duty or refusing to work hard after showing up for work, must never again be tolerated. We must heighten our sense of revolutionary responsibility to "serve the people and hold ourselves responsible to them," raise the standards for professional ethics, and combat such unhealthy tendencies as disregarding efficiency and coordination, or even trifling with work and taking advantage of the nature of work to seek private gains. We must uphold the spirit of doing pioneering work with ardent effort by taking the initiative into our own hands, treasuring state property and making great efforts to conserve resources. We must take effective measures to combat such decadent phenomena as lawlessness, indiscipline, squandering and wasting resources, appropriating public property, and seeking private gain at public expense. We must strengthen the concept of taking the overall situation into consideration and combat departmentalism and individualism. In short, we must continue to foster the positive factors and combat the negative factors.

To heighten our class consciousness, we must persist in studying Marxism-Leninism-Mao Zedong Thought and, in connection with our work and practices in society, gradually cultivate a communist world outlook and reaffirm our communist ideals. At present we must stress the study of the "Selected Works of Deng Xiaoping," which is a general outline for building a socialist country with distinctive Chinese characteristics and which is an inheritance and development of Mao Zedong Thought. In light of the requirements set forth in the "Outlines for Ideological and Political Work Among Staff Members of State-Owned Enterprises (for Trial Implementation)," transmitted recently by the party Central Committee, trade unions at all levels must, under the party's leadership, work in coordination with various other quarters concerned to intensify ideological education on patriotism, collectivism, socialism and communism among staff members and workers to enable them to be more capable of understanding and transforming the world. Utilizing all the

bastions of our trade unions, we must also rely on our activists to energetically carry out vigorous self-educational activities among the masses, particularly among the young staff members and workers. We must actively encourage, energetically support and give the necessary guidance to the workers' reading activities with the goal of revitalizing China--activities initiated by staff members and workers in Shanghai--and integrate such activities with public speeches, organizing special study groups, publicizing advanced models, studying "the communist factors beside us" and other self-educational activities among the masses. While carrying out activities related to "five stresses, four beauties and three loves," we must continue to carry out these self-educational activities with their distinctive occupational characteristics so as "to be model teachers," "to do business in a civilized manner," "to be people's railways serving the people," "to be proud of dedicating ourselves to geological work" and so forth among the masses.

We must continue to sum up and create new experiences and guide the broad masses of staff members and workers to work hard to transform their subjective world while also transforming their objective world. When the consciousness of the staff members and workers about transforming their subjective world becomes higher, the greater will be their initiative in transforming the objective world and the more capable they will become in making outstanding contributions to the building of the two civilizations.

/Acquire General and Technical Knowledge and Enhance Constructive Ability/

The key to the four modernizations is the modernization of science and technology. Great success in enhancing economic results and in building key projects depends on technical progress. Scientific and technological knowledge will play a more and more prominent role in promoting economic development. Therefore, to acquire general and modern scientific knowledge has become an urgent strategic task as well as a glorious duty of our workers and staff members in the new period.

At present, a new practice of attaching importance to knowledge and of being eager to learn and make progress has begun to emerge among the workers and staff members in China. However, the educational and technological level of our worker and staff members is still far from being adequate to meet the demands of the four modernizations. Engineers and technicians in industrial departments account for only 3 percent of the total number of workers and staff members. The educational level of 70 percent of the cadres on the economic front is below that of junior middle school. One fourth of the workers and staff members in China need further education to acquire general and technical knowledge. The educational and technological level of the workers and staff members has a direct bearing on the operation and management of an enterprise. Poor enterprise operation and management will hinder the improvement of economic results and will usually cause huge waste and losses. China's workers and staff members have the aspiration and determination to study hard for the sake of the great task of accomplishing socialist modernization. Young workers whose education was obstructed during the 10 years of domestic turmoil should make efforts to complete makeup

courses on general knowledge and technical knowledge. Older workers, too, should strive to learn new technology. Engineers, technicians, scientific researchers, teachers, doctors and other intellectuals should also constantly absorb new knowledge and strive to keep up with the ever-changing new developments in science and technology in the world.

The broad masses of staff members and workers should rely primarily on on-the-job study to acquire general, scientific and technical knowledge. In order to improve learning and integrate study with application, we should advocate study in connection with our jobs in order to first become proficient in our professional work and then gradually proceed to advanced studies. We should take self-education courses, such as correspondence courses and courses offered by sparetime schools and radio and television colleges, and try to complete junior middle school, senior middle school and college educations. We are convinced that the working class, being the master of its own destiny, has all the necessary requirements to create group after group of outstanding scientists, inventors and innovators from among its members.

In order to improve the cultural and technological quality of the workers and staff members, we should foster a habit of respecting knowledge and intellectuals. All workers, engineers, technicians, management personnel, teachers and doctors are honored members of the working class and are brothers. The assertion that "the workers have stepped aside and the intellectuals have won favor" is wrong. The workers and the intellectuals are indispensable to each other. The workers should study theories ardently and the intellectuals should pay attention to integrating theory with practice. The workers and the intellectuals should respect each other and learn from each other's strong points to offset their own weaknesses. They should form the three-way combination of workers, technician and leading cadres and the three-way combination of factories, scientific research organizations and schools; they should unite and cooperate with each other and fight shoulder to shoulder to undertake the great cause of building socialism and communism.

The trade unions at all levels should attach great importance to strengthening the education for the workers and staff members, resolutely protect their right to study, take the initiative in helping the government departments concerned and the enterprise management run workers' schools well, and make every effort to help the workers and staff members solve difficulties in connection with their studies. The trade unions should also adopt a positive attitude and a realistic approach and make conscientious efforts to run schools for workers and staff members and to improve the quality of teaching. The trade unions should make great efforts to organize such mass activities as technical exchanges, technical training, technical contests, knowledge tests, and attract as many young workers and staff members as possible to join the upsurge of those acquiring general and technical knowledge. We should open a wide avenue and invigorate our work to give positive support and assistance to schools fun for the workers and staff members by enthusiasts of various circles in order to make the working class become better educated sooner.

/Promote Democratic Management and Oppose Bureaucracy/

The broad masses of staff members and workers, as the masters of the country, must display a high sense of responsibility and take an active role in managing state affairs, particularly the affairs of their own units. This is a most important and most fundamental privilege, which staff members and workers can enjoy only under a socialist system. We must correctly exercise our democratic rights in order to pool the wisdom and efforts of everyone and do a good job in running our enterprises. Not only must we oppose such bureaucratic problems as irresponsibility and wastefulness, neglect of safety measures, disregard for the sufferings of the working masses, suppression of democracy, rejection of criticism, and vengefulness, we must also combat the phenomena of anarchy, disorganization, and indiscipline and must firmly support those leading cadres who hold themselves responsible to the state and the people, who set strict requirements for work, who uphold principles, and who dare to exercise leadership. Today, because of democratic management by staff members and workers, many enterprises have not only carried out democratic supervision over all types of phenomena having negative effects, they have also encouraged the masses to offer advice and find solutions, and have vigorously led them to act as masters, offer opinions, oppose waste, and increase economic results, thus accomplishing remarkable success in improving their economic performance and efficiency. All enterprises should learn from these units.

Thanks to the efforts exerted during the past several years, the significance, effects, and achievements in instituting congresses of staff members and workers have won the great attention and approval of many leading party and government organizations and leading cadres. A considerable number of units, however, have yet to set up this system; and among those that have, the role of the congresses of staff members and workers has not been brought fully into play and the legal authority of congresses of staff members and workers has not been genuinely acknowledged. Certain leading cadres have willfully rejected the resolutions adopted by the congresses of staff members and workers, and some even have forced the congresses to obey them. Some staff members and workers, greatly displeased by this, have said: "We are treated as representatives during a meeting, but we are ignored after it." The primary reason behind such a situation is that some of our leading cadres have forgotten the basic Marxist principle that they are the people's public servants, and so they do not respect, or do not acknowledge, the workers' role and right as the masters. It should be pointed out that democratic management by staff members and workers has been clearly prescribed in both the new constitution and the 12th party congress, and the provisions regarding congresses of staff members and workers must be solemnly and seriously implemented. Of course, our socialist enterprises must have a highly centralized leadership over administration and production and a well-organized scientific management before an orderly and highly efficient socialized mass production can be organized.

However, democratic management by staff members and workers is an essential characteristic of a socialist enterprise. If scientific management is not integrated with democratic management by staff members and workers, it is hard for the broad masses of staff members and workers to feel they are actually the masters, and it is impossible to bring into full play the superiority of socialist production relations, to run our socialist enterprises successfully, and to constantly explore new, broad avenues to develop productivity.

Trade unions must continue to regard it as their major task to promote the congresses of staff members and workers, make efforts to encourage democratic management, and firmly safeguard the rights of staff members and workers and their role as the masters. The educational, scientific research, and public health units, which have their own distinctive characteristics, must institute a system of democratic management in which the teachers, researchers, and medical workers are the main body. Under the party's leadership, trade unions must cooperate closely with departments concerned, offer all types of guidance, and work out plans so that this system will be perfected and the number of units that have soundly carried out this system will increase every year.

At present, we should strive to achieve new progress in four respects: First, a congress of staff members and workers must be genuinely regarded as one of the aspects of enterprise reorganization and one of the criteria of an enterprise's acceptability. An enterprise which fails to adopt this system should not be considered a qualified one. Secondly, the system under which leading cadres are assessed annually by a congress of staff members and workers should be generally instituted. While this is an excellent way to support and coordinate party rectification, it is an important means by which to make the leading group of an enterprise more competent. Leading administrators of our enterprises must continue to be elected in accordance with the provisions on congresses of staff members and workers and with the plan mapped out by the competent authorities of an enterprise. In accordance with the regulations on the management of cadres, cadres elected through democratic processes must be reported to the competent authorities for review and appointment. Third, it is necessary to conscientiously exercise, on a firm basis, the functions and powers of the congress of staff members and workers. Policy decisions involving major issues in enterprise management must be examined and approved by the congress of staff members and workers, while major issues involving the immediate interests of the staff members and workers must be discussed and decided by the congress of staff members and workers. Resolutions adopted by the congress of staff members and workers must be respected and put into practice. Fourth, it is essential to further bring into full play the role of the congress of staff members and workers in helping staff members and workers conduct self-education and assist them in strengthening their sense of responsibility as the masters of their own affairs, in thinking and speaking like the masters of their own affairs and in fulfilling their duties as the masters of their own affairs.

/Have the Overall Situation of the State in Mind, Gradually Raise Living Standards/

In our country, the interests of all the working people are closely connected with the future and destiny of the state. The interests of the state and the overall interests, in the final analysis, center on gathering the people's wealth and promoting their well-being. Only when production is being increased--particularly when economic results are being improved and productivity is being raised--will the living standards of the staff members and workers be incessantly elevated. Anything that harms the interests of the state and the overall interests will inevitably harm the basic and immediate interests of the broad masses of our staff members and workers. We must have the overall situation of the state in mind and take our 1-billion population into account. This is a truth even more clearly realized with each passing day by China's staff members and workers from their practice over a protracted period for some 30 years since the founding of the nation. Therefore, the broad masses of staff members and workers have always been able to keep the overall situation in mind and regard the difficulties of the state as their own. This manifests a fine tradition of China's working class. We must uphold the principle of "first, feeding the people; second, building the country." Under the prerequisite of simultaneously keeping in mind the interests of the state, the collective and the individual, we must correctly deal with and handle issues to improve living standards. Either in raising living standards or in developing economic reforms which are now being carried out, we should consciously place the interests of the state above all else. We must resolutely combat departmentalists and individualists who pay little attention to or even totally ignore the interests of the state. We must resist and oppose erroneous practices such as competing with the state for profits and shifting the financial burden to the consumers in the course of making economic reforms and indiscriminately issuing bonuses in violation of state regulations by exceeding rates of profit growth and labor productivity set by the state.

Since the 3d plenary session of the 11th CPC Central Committee, the party and the government, still facing serious financial difficulties, have shown great determination and exerted great efforts in raising the people's living standards to a great extent. This achievement is there for all to see. However, due to our large population, weak foundation and backward economy, it will be impossible to solve many actual problems with people's livelihoods within a short period. But, just like Comrade Deng Xiaoping said in his speech at the Ninth National Congress of Trade Unions: "This should never become the excuse of the leadership of any enterprise to pay little attention to the workers' well-being. Still less should it become the excuse of any trade union organization to pay little attention to the workers' well-being." The trade unions at all levels must persistently adhere to the principle of simultaneously keeping in mind the interests of the state, the collective and the individuals; they must resolutely safeguard the legitimate interests of the staff members and workers, oppose bureaucrats who are not concerned about the sufferings of the staff members and workers as well as the unhealthy trends that harm the interests of the staff members and workers; and try

their very best to solve those pressing problems encountered by the staff members and workers in their lives--problems that need to be and can be solved.

To do a good job in promoting safe production and strengthening labor protection constitutes an extremely important element in safeguarding the interests of the staff members and workers. At present, accidents involving injuries and deaths have continuously been reported in some trades and enterprises. There is a rise in occupational hazards and hidden danger. Environmental pollution has become even more serious. We can no longer ignore this kind of situation. Trade unions should make unremitting efforts to combat the mistaken idea of underrating the importance of safe production; push and help the administrative department to earnestly carry out the principle that production work must be safe; supervise the implementation of the laws, decrees, and statutes concerning safety in production, industrial hygiene, and environmental protection; and, in cases of violation of law and dereliction of duty in this connection, determine who should be held responsible according to the law. They should mobilize and rely upon the forces in society to strengthen scientific research with regard to labor and environmental protection. Attention should be given to strengthening education in safety procedures among staff members and workers. Positive efforts should be made to establish a mass safety-supervision network, to strictly prohibit any direction or operation not in accordance with the rules, and to see to it that production work is done in a civilized way. When a serious incident endangering the safety of the staff members and workers has occurred and the alarm given by the staff members and workers or by the trade union is not accepted by the enterprise's administrative department, the trade union should resolutely halt work and have the staff members and workers leave the dangerous area.

Trade unions should make down-to-earth efforts within their capabilities to do specific things in the interest of the masses. The problem of crowded living quarters caused by shortages of housing for staff members and workers should, of course, be solved by the state and by the enterprises concerned through the implementation of their yearly housing construction plans. However, requests from staff members and workers for the democratic assignment of housing through the congresses of staff members and workers, and for firm efforts to correct unhealthy practices in the construction and assignment of housing should be entirely fulfilled. In recent years trade unions at various levels in Shanghai, with support from the administrative departments concerned, have assisted the staff members and workers in repairing and expanding their own houses, resulting in an additional 1 million square meters in housing floor space. Trade unions at various levels in the postal and telecommunications department have also eased the housing shortage to a certain extent by actively implementing the measure of "self-constructed housing with public aid." With the support of the department responsible for controlling commodity prices, trade unions should organize mass activities to supervise commodity prices on the market, expose and check the unhealthy trend of violating the state pricing policy, and deal blows at those unlawful elements who use deception and coercion to raise commodity prices. Great

attention should be paid to safeguarding the legitimate rights and interests of female staff members and workers. It is imperative to be concerned about the interests and difficulties peculiar to female staff members and workers and to resolutely combat the bad phenomena of mistreating, insulting, and torturing them. In addition, trade unions should help the departments concerned in carrying out mass work to promote family planning. In economic reform, trade unions should give attention to maintaining a legitimate labor insurance system for staff members and workers and to protecting their welfare benefits in daily life. Trade unions should show special concern for and gradually improve the living and working conditions of those staff members and workers who are required to work the open, in mines, on the seas, or in remote areas throughout the year. Other tasks include strengthening the work of labor insurance, showing concern for retired staff members and workers, implementing the democratic management system for collective welfare projects, developing emulation campaigns among the logistics departments of various enterprises and establishments, and running mess halls, bathhouses, and nurseries. All these tasks require little funding from the state, but serve the purpose of helping staff members and workers solve many of their practical difficulties.

Trade unions should be adept at protecting the welfare of staff members and workers by means of labor legislation and by using the weapon of law. Trade union leading bodies at all levels should take an active part in the study, formulation, and revision of the laws, decrees, and statutes related to the vital interests of staff members and workers and should supervise their proper implementation. Basic-level trade unions should make overall arrangements for developing production and improving the livelihood of staff members and workers and should see to it that their duties and responsibilities are clearly defined and that their everyday life is improved year after year on the basis of the development of production, either through specific resolutions adopted by the congresses of staff members and workers or by signing collective contracts with the administrative departments on behalf of the staff members and workers.

Many problems in the daily life of staff members and workers can be resolved by carrying forward our fine traditions of arduous struggle and of building the country through diligence and thrift as well as by relying on the efforts of the masses to improve their own well-being. We should promote extensive mass activities of mutual assistance and mutual support on the basis of work shifts and work groups. These activities will not only solve problems and difficulties for the masses but will also assist in cultivating the idea of collectivism and in reinforcing solidarity in the ranks of staff members and workers.

/Carry Forward the Fighting Spirit, Oppose Unhealthy Trends and Evil Practices/

Now in our country the number of staff members and workers accounts for more than 60 percent of the urban population. Their spiritual outlook and their efforts to observe discipline and abide by the law have considerable effects on the general mood of society and public security in urban areas. They

are also bound to have a significant impact on the vast rural areas. The broad masses of staff members and workers are, therefore, requested to play a leading role in bringing about a fundamental turn for the better in the general mood of society. They did this in the early period after the founding of the People's Republic. Today they should make even more energetic efforts to do this job well.

At present serious economic crimes and other grave criminal offenses are problems of general concern among the people. They are contaminating people's souls, corroding the body of our party and state, spoiling the general mood of society, damaging the fruit of the people's labor, seriously jeopardizing the public security, severely endangering our program of socialist modernization and the safety of our people's lives and property. A very few "black sheep" of this kind also exist in the ranks of our staff members and workers. This state of affairs has long been bitterly detested by our broad masses of staff members and workers. Now that our party and government have issued a fighting call in this respect, we should take strong action to plunge into this struggle.

It is imperative to deal firm blows to those who have committed serious economic crimes and to other grave criminal offenders. We resolutely support the party and government in striking heavily and promptly at grave criminal offenders and in continuing to deal telling blows at those who have committed serious economic crimes. The broad masses of staff members and workers should carry forward their achievements in striking at economic crimes in the past and continue efforts to expose and inform against such crimes. They should step forward bravely to stop crimes and let no criminal offenders escape from the people's widespread net of justice. Failure to deal hard blows at criminal offenders means failure to safeguard the democratic rights of the people and the program of the four modernizations.

Extensive education should be conducted among the broad masses of staff members and workers to enable them to abide by the constitution and other laws. We should do whatever we can to save the few staff members and workers who have erred by doing evil things. Facts from various localities have proved that as long as we take a correct attitude toward them, let them know our reason, influence them with affection, put rigorous demands on them, and give them wholehearted encouragement, most of them can be saved by education, and some may even become advanced staff members and workers. Success in this work is of vital significance to and has a great positive effect on changing the general mood of society and improving public security.

We should take positive action to guard against and eradicate the cultural contamination by the reactionary and decadent capitalist ideas. Under the new historical conditions, should we relax in this struggle there will be increased influence from the reactionary and decadent ideas and the corruption of idealism, and some ugly features of the old society will come to the fore again. Now the circulation of pornographic, reactionary and absurd books, magazines and video and audio tapes has become a major cause in leading a number of young people on the road to crime. Our broad masses of staff

members and workers must play a positive role in the practical struggle to eradicate cultural contamination. In this regard, those dealing with ideological theories--writers, artists and the people's teachers, who are "engineers for human souls"--should have special responsibilities. They should not only refrain from doing anything that may contaminate people's minds but also have the responsibility to join the broad masses of staff members and workers in carrying out such activities as reviewing books and films in an effort to increase the immunity of staff members and workers against cultural contamination. They should use the Marxist theory as a weapon to wipe out those decadent, reactionary and unhealthy things.

In some localities there is a lack of healthy cultural and sports activities for staff members' and workers' spare time, and as a consequence things vulgar in nature and corruptive of public morals have sneaked in. This matter should arouse our great attention. We should actively promote rich and colorful spare time cultural and sports activities which are healthy, interesting and dynamic in order to have the socialist ideology dominate the spare time cultural front. We should see to it that as many staff members and workers as possible are induced to join the spare time activities that are popular with the masses. This is a significant step to build socialist spiritual civilization and to improve the quality of our ranks of staff members and workers. It is also a strong request from the broad masses of staff members and workers. Recently, the party Central Committee approved and distributed the document drawn up by the four units including the Propaganda Department of the CPC Central Committee and the All-China Federation of Trade Unions on strengthening cultural work among the masses in cities, factories and mines. We must resolutely fulfill the requirements listed in this document. Cultural palaces for the staff members and workers and clubs should be run as their "schools and paradises." We hope that the governments at all levels will include activities in the development of culture and sports for staff members and workers in their plans for social development.

Particular efforts must be made to help enterprises and establishments that are distant from the cities and small scattered units to create better conditions for developing cultural and sports activities for staff members and workers. Resolute efforts must be made to prevent the phenomenon of occupying for other purposes cultural and sports facilities of staff members and workers. Those facilities which have already been occupied for other purposes must be returned within a prescribed time limit. The trade unions at all levels, especially the basic-level trade unions, must rely on the strength of the masses in improving the conditions for the development of cultural and sports activities in a simple and frugal manner, and actively develop small-scale but diversified mass cultural and sports activities.

/Develop Activities On an Even, Large Scale to Turn Out More Advanced Workers and Advanced Collectives/

To carry forward the spirit of revolutionary heroism in the course of promoting the two civilizations and developing the socialist emulation drive to create, learn from and catch up with the advanced is a vivid demonstration of the

spirit of the broad masses of staff members and workers as the masters of their own affairs. During the new period, we must, through the development of various activities on an even, large scale to create more advanced workers and advanced collectives, bring about a brand new situation in China's workers' movement for the development of socialist modernization with a hundred flowers in full bloom, a host of stars sparkling, with the news of victory pouring in and with variegated majestic scenes.

Emulation drives during the new period must have distinct features of the era. Now, it is necessary to carry out such emulation drives with emphasis on raising economic efficiency, concentrating the necessary capital, ensuring the construction of key projects, promoting reforms and technical progress, and improving administration and management. It is essential to do everything for the prosperity of the nation and for the people's well-being. On the basis of new demands in the new period, all trades and professions must decide on the goals and plans for carrying out emulation drives that are compatible with their own special features. Now the potential to improve economic results is tremendous. No matter whether we view the whole situation from the point of view at the national average level or from an enterprise level, many economic norms have not equalled established record highs, and there exist sharp differences between advanced and backward enterprises. The differences will be even more significant if an enterprise compares itself with an advanced one elsewhere in the world. That shows a tremendous potential. For example, the tax and profits turned over to the government by large advanced steel mills or heavy machine-building plants per 100 yuan capital is 10 times that of backward ones. With regard to energy consumption for producing each yuan in output value, the backward district consumes 9 times as much as the advanced district. Now, some districts have put forward and developed various plans to "compare production norms, determine differences, foster high aspirations and catch up with the advanced." This reflects the aspirations of China's working class to learn from and catch up with advanced and the style and features of the present era in working hard to forge ahead. The staff members and workers of every unit must establish lofty goals and aspirations, tap the potential to increase production in the course of determining where they lag behind, improve their economic results in the course of learning from and catching up with the advanced, work hard to reach the highest level in history, and strive to equal and eventually surpass the advanced level in the country, and someday challenge the world.

In order to tap the potentials of an enterprise, we must carry out reforms, implement correct policies, enliven and bring pressure to bear on the enterprise and rely on technological improvements. We, the broad masses of workers and staff members, should actively support, take part in, and stand on the forefront of reform work.

In carrying out economic reforms, trade union organizations should enthusiastically study how to improve wage and bonus, labor insurance, and welfare systems. In particular, we should pay attention to exchanging experience and studying new methods so as to overcome egalitarianism in the form of "drawing from the same big pot" and to implement still better the principle

of "to each according to his work." We should link the wages and other remuneration of workers and staff members to the operation of enterprises, to social and economic results and labor achievements.

In addition, we should attach importance to technical improvements in order to tap the latent power of enterprises. We should make efforts to raise product quality, conserve energy and raw materials, carry out technical transformation, improve enterprises' organizational and productive structures, promote mass technical innovations, encourage reasonable suggestions and technical cooperation, and draw more engineers, technicians, and management personnel into the emulation campaign.

The technical-cooperation activities among workers and staff members have attracted and united millions of talented workers, engineering and technological personnel, experts and scholars, as well as retired workers and staff members who are specialized in various fields. They have played a great role in overcoming technical difficulties and we must actively advocate and support such activities.

We should reward those workers and staff members who have made inventions and should protect their interests. However, we must correct the practice of blocking the distribution of technical information among domestic enterprises. This practice runs counter to socialist principles and is unfavorable to the building of the four modernizations.

We should conscientiously pay special attention to the exchange and promotion of advanced ideas and technologies. This is an important link in unfolding activities to commend advanced producers and collectives in a solid manner. Models, advanced personnel, and advanced collectives are vanguards in promoting the development of production and in social progress. We should turn the advanced experiences and quotas of the small number of advanced people and collectives into a national standard and turn the advanced thinking of heroes and models into a common thought for the broad masses of workers and staff members and for the hundreds of millions of people in our country. This is a necessary condition for promoting the building of the two civilizations. Workers and staff members throughout the country must foster the habit of respecting and learning from advanced people and collectives and must oppose the erroneous practice of isolating and attacking advanced people and collectives. Trade union organizations and the leading cadres at various levels should firmly support advanced people and collectives and all ventures that aim at making progress. We should create favorable conditions for advanced people in their learning and further study, pay attention to their health, reduce their burden of social activities, and resolutely struggle against statements and actions that discriminate, isolate, suppress, or attack advanced people and collectives.

In order to unfold the emulation drive in a solid manner, we should grasp the work of teams and groups. Teams and groups are an important battleground in carrying out ideological and political work and are also the foundation of all work of various enterprises. The nationally renowned Ma Hengchang,

Zhao Mengtao, "Mao Zedong Locomotive," and other advanced groups have for many years been on the forefront of advanced collectives and have become furnaces of revolution in the cultivation of the younger generations. The Sui Shizhong and other advanced groups that have emerged in recent years have provided us with experience in the cultivation of a new generation of advanced teams and groups. Only when we have strengthened our work in building teams and groups can we have a solid foundation for creating "six-good enterprises."

Comrades, our tasks are honorable and arduous. In the great struggle to create a new situation in promoting socialist modernization, the people of the entire country place great hopes on the working class, and people throughout the world are watching the Chinese working class. Under the leadership of the party, we must struggle hard, work dauntlessly, turn our socialist motherland from poor to rich, and build China into a first-rate, modern, and powerful country in the world.

Conscientiously Strengthen the Building of Trade Union Organizations

Comrades, in order to unite and guide the workers and staff members of all nationalities in our country to successfully fulfill the honorable tasks in the new period and create a new situation in promoting the workers' movement and the trade union work, trade union organizations must pay particular attention to the question of maintaining close ties with the masses. The trade union, as a mass and leading organization of the state, must be especially on guard against becoming divorced from the masses. We must conscientiously strengthen the building of trade union organizations ideologically and organizationally and must improve our work methods and work style in the spirit of reform so as to maintain close ties with the masses. The draft revision of the constitution of trade union organizations submitted to this congress for examination has made important stipulations in this regard.

/It is necessary to eliminate "left" influence and oppose right tendencies and to clearly understand the special characteristics of trade union organizations./ The trade union organizations in our country are mass organizations of the working class under the leadership of the party. They work for the working class and represent the masses of workers and staff members. All trade union activities must give expression to these special characteristics.

Long practice in the workers' movement in our country has proved that adherence to the party's leadership over the trade union organizations is a fundamental guarantee of the trade unions' adhering to the correct political orientation and developing a positive role. In addition, trade unions include almost all members of the working class so all their work must reflect the views of the majority of workers and staff members. Trade union organizations should respect the wishes and demands of workers and staff members and should take the initiative in unfolding various activities in an independent and responsible manner. Therefore, trade union organizations should be good at closely integrating the masses' wishes and demands with the party's program.

tasks, and policies and should hold themselves responsible to both the party and the masses. Trade union organizations should unfold mass activities in line with these principles for only thus can they unite and guide the broad masses of workers and staff members to work hard for the realization of the party's program.

For a relatively long period after the founding of the People's Republic, the special characteristics of trade unions as mass organizations were seriously overlooked due to the influence of "left" erroneous ideology. The main shortcomings included treating in an incorrect manner the relationship between trade unions and party, political, and economic organizations; failing to unfold mass activities in accordance with the wishes of the majority of workers and staff members and with the actual situation; and overlooking the necessity of trade unions and the importance of protecting the rights of workers and staff members. In this way, trade unions were unable to maintain close ties with the masses and this, in turn, weakened the party's contact with the masses of the same class.

Historical experience, and in particular our practice of and efforts in ending confusion and setting things right in recent years, have shown us that the trade union organizations must understand that they are mass organizations under the leadership of the party and should do more good and effective things for workers and staff members and arouse their enthusiasm so as to develop their militant power and to play a vigorous, positive role in building socialist modernization. Trade union organizations must protect the legitimate rights of workers and staff members, be courageous in supporting the right and opposing the wrong, and play an active role in social and state life. Trade union organizations must be geared to the needs of the grassroots level and of workers and staff members, maintain close ties with the masses, reflect the voices and demands of workers and staff members, and truly become "the homes of workers and staff members." The above-mentioned three "musts" are demands set on the trade union organizations by the party Central Committee and are also the main contents of the reform work to be implemented by the trade union organizations.

To adhere to the three "musts," it is necessary to correctly understand the fact that trade union organizations represent and safeguard the interests of staff members and workers. In our country, vestiges and influences of the old society are still extant and some abuses are difficult to root out from actual state systems. There still remain bureaucratic phenomena, as well as signs of violating law and discipline. Sabotage activities and disturbances are still being carried out by hostile elements, therefore, it is unavoidable that the specific and immediate interests of staff members and workers are harmed or infringed upon under certain conditions. This not only calls for efforts on the part of the party and government to adopt measures, but also requires that the trade unions take action to safeguard these interests. Trade union organizations must value the overall situation above everything else and attach great importance to the overall interests of all laborers and the people of all nationalities throughout the country. Not only should they unswervingly safeguard the interests of the state and

the collective, but also resolutely safeguard the immediate interests of staff members and workers. They should be eager to meet the needs of the masses and keep the interests of the masses at heart, while wholeheartedly serving the staff members and workers. They should not separate these "two safeguards" or set the one against the other, for only by carrying out both of them will it be possible to help the broad masses of staff members and workers learn from their own personal experience and to arouse their political and work enthusiasm. Just as Comrade Mao Zedong said: "We should help the masses realize that we represent their interests, that our lives are intimately bound up with theirs. We should help them proceed from these things to an understanding of the higher tasks we have put forward." This principle is a fundamental one that must not be forgotten, even for a brief moment, by any of the comrades doing mass work. If our trade unions pay little attention to the immediate interests of staff members and workers, and ignore those phenomena that infringe upon the legitimate rights and interests of staff members and workers, then the masses of staff members and workers will not regard the trade unions as organizations representing their interests. Such trade unions will cease to exist, except in name. Therefore, it is utterly unjustifiable and totally erroneous to regard the efforts of trade unions to safeguard the legitimate rights and interests of staff members and workers as practices that "deviate from the central task of economic construction" and to regard the efforts of the trade unions to independently and responsibly develop various mass activities, in accordance with the party's program and in close connection with the special features of their own organizations, as actions that "deviate from the party's leadership."

Obviously, safeguarding the basic, legitimate rights and interests of staff members and workers, doing things for them, speaking for them, and supporting what is right and combating what is wrong are not easy tasks. We will inevitably encounter all kinds of resistance and face all kinds of difficulties in carrying out these tasks. We must not deviate from the masses simply because we are afraid of "offending" bureaucratic leadership. Nor should we ignore interests of the state and the people simply because we hesitate to encroach upon the personal gains of a few people. We must realize that with the support of the party Central Committee, the development of the party rectification campaign, the improvement of the general mood of the society, and the accumulation of our work experience, we will have more and more favorable conditions. We trade union workers must, first of all, foster lofty ideals and high aims in pioneering a great cause, demonstrate the spirit of working hard and in a down-to-earth manner, and achieve actual and reliable progress in our work step by step.

Oppose Ourselves to Serve the Basic Level and the Masses, Rely on the Broad Masses of Staff Members and Workers to Run Trade Unions/

... the basic principle that trade unions must unswervingly follow in carrying out their method and style of work.

... of staff members and workers are at the basic level. To strengthen the leading of basic-level trade union organizations constitutes the

foundation in maintaining close ties with the masses and doing trade union work well. At present, there are a considerable number of basic-level trade unions that are not well-organized. They do not work hard and they do not exert sufficient efforts to maintain close ties with the masses. We must do a good job in consolidating and building basic-level trade unions in accordance with the trade union constitution adopted by the current congress and in close connection with enterprise consolidation and party rectification. To invigorate the work of basic-level trade unions, it is imperative to build a mighty contingent of trade union activists who are not divorced from production work and who enthusiastically serve the staff members and workers. We must carry forward the fine tradition of "everyone participating in running the trade union." Since activists are with the masses of staff members and workers from morning until night, they know best the feelings, opinions, and demands of the masses. Only through these activists can the work among the masses be done in a down-to-earth way. We must warmly cherish, cultivate, and support the activists; constantly expand the activist contingent; and bring their role into full play. Many activities of basic-level trade unions have to be carried out in the various groups established by the trade unions or have to be started from these groups. These trade union groups are like the cells of the trade unions. When the cells have vitality, the work of the basic-level trade unions will be vigorous. Important tasks for strengthening trade union groups are paying attention to the selection of group leaders, doing well in holding meetings on the groups' activities, enriching the groups' mass activities, and establishing the system of "imperative visits" (it is imperative to visit those staff members and workers who have difficulties, who are sick or injured, who are giving birth to children, who are going to marry or are mourning kinfolk, or who have family discords) and "imperative talks" (it is imperative to talk to those staff members and workers who are absent from work without approved leave, whose work efficiency has declined, who sway in thinking, who do not unite with others, or who have just entered the factories) in an effort to turn the trade union groups into fighting collectives that can unite with and help each other in building material and spiritual civilization. The leading organs of trade unions at all levels should be oriented toward the basic level and the masses. Their main attention should be directed to serving the basic-level trade unions and to strengthening the building of these trade unions and enlivening their work. It is necessary to gradually reform the trade union system in an effort to reduce the number of leadership levels and to facilitate contacts among trade union organizations. Efforts should be made to strengthen the work of trade unions in large and medium-sized cities, and attention should be given to mobilizing the initiatives of local trade unions and industrial trade unions. It is necessary to give full play to the respective strong points of local trade unions and industrial trade unions so that they can supplement and support each other and better coordinate with each other in doing their work. In addition, we should investigate, study, and strengthen the work of trade unions in joint-venture enterprises financed with Chinese and foreign investment. We should see to it that through our ceaseless efforts, more advanced, basic-level trade unions, advanced trade union groups, and outstanding trade union workers will emerge in the country and our trade union work will take on a brand-new look.

Trade unions must uphold the work method of "from the masses, to the masses." They must learn to use this mass work method proficiently and must be adept at considering the wishes of staff members and workers and at making full use of various trade union facilities to actively promote rich, colorful, lively, and dynamic mass activities that are popular with the masses. They must be persistent in applying the methods of enlightenment, attraction, persuasion, and inducement. Trade unions must support and rely on advanced staff members and workers and give full scope to their role as models, as a backbone force, and as a bridge. More importantly, they must give attention to the work of improving the large numbers of staff members and workers still in an intermediate or backward state. The major responsibility of trade unions is to have the staff members and workers in the intermediate or backward states join the advanced staff members and workers to march forward together. Trade unions at all levels must conscientiously improve their leadership skills and work style, strengthen investigation and study, and resolutely eliminate the "yamen" style. They must discard the work style of remaining at the high level and being satisfied with issuing general calls. Instead, they must go deep into reality and among the masses from time to time in order to understand and be acquainted with them, listen attentively to their opinions, and sum up their wise ideas. They must avoid empty talk, pay attention to real results of work, and make down-to-earth efforts to solve practical problems. It is imperative to establish and uphold the systems for leading cadres to stay in basic-level units to take part in labor, make friends with staff members and workers, and handle letters and visits from the staff members and workers in a serious manner. Leading cadres of the All-China Federation of Trade Unions and provincial and municipal trade unions must spend at least 2 or 3 months each year at the basic level. They must constantly acquaint themselves with and analyze new situations and sum up new experiences. They must efficiently and continuously advance the work of trade unions by applying such methods as using the experience gained in typical units to promote the work in the whole area and giving specific guidance as needed in different cases.

/Improve Trade Union Leading Bodies at All Levels, Enliven Democratic Activities./ This is an organizational system that trade unions must implement as a basic guarantee for upholding the principles of trade union work during the new period and for forging close ties with the masses.

Strengthening the building of trade union leading bodies at all levels is a decisive factor for creating a new situation in trade union work and for turning trade unions into "homes of staff members and workers." In recent years, the leading organs of trade unions have been reinforced with a lot of new blood as a result of organizational reform. The composition of these leading bodies has shown remarkable improvement as far as the age and educational level of their members are concerned. Young and middle-aged cadres learn humbly from well-experienced old cadres and are bold in shouldering responsibilities. In consideration of the overall interests, old cadres still actively foster new cadres and continue to contribute to advancing the cause of China's workers' movement after they have left the first line of work. There has appeared a new scene in which the old are succeeded by

the new and in which the old and the new cooperate with each other to make sustained progress in the work. At present, however, certain trade unions, predominantly some of the basic-level trade unions, have not yet carried out democratic elections pursuant to the provisions of the Trade Union Constitution, thus hindering efforts to forge close ties between trade unions and the masses of staff members and workers. Others have not met the requirements for more revolutionary, younger, better educated, and more professionally competent cadres in readjusting their leading bodies. As a result, their leading bodies are quite unfit to the heavy tasks they are shouldering. This state of affairs must be corrected. We must emancipate our minds, broaden our vistas, seek talented people, and through democratic elections, place at the leading posts in trade unions a large number of outstanding persons who uphold the four basic principles; firmly carry out the party's line, principles, and policies formulated since the 3d Plenary Session of the 11th CPC Central Committee; are in the prime of life and have cultural knowledge; and who have a warm love for trade union work, maintain close ties with the masses, and are capable of opening up a new situation. Young cadres must account for a greater proportion of the cadres in the leading bodies of trade unions at all levels and particularly of trade unions at the basic level. The results of elections held by leading organs of local and basic-level trade unions must be reported to the trade unions at the next higher level for approval. Without the concurrence of the electorate or the higher-level trade union, no principal leading member of a trade union can be transferred, dismissed, or replaced by another person. As for those regulations in the present cadre management system that are unsuited to mass organizations, we must change them step by step so as to ensure that trade union cadres can exercise their functions and powers, and enjoy treatment commensurate with their positions. Trade unions at the higher level must constantly acquaint themselves with and show concern for the work, study, and well-being of cadres of trade unions at the lower level. Trade union organizations, particularly the trade unions at the higher level, must protect and support those trade union cadres who have been attacked and persecuted in the course of fulfilling their normal duties and wage struggles against any phenomenon that infringes upon the rights of the trade unions. The broad masses of trade union cadres should place strict demands on themselves, remain loyal at all times to the workers' movement, work diligently, and study hard. They must dare to challenge those who always follow the beaten path and stick to conventions; boldly explore and blaze new trails according to new situations, conditions and requirements; and keep in pace with the times in forging ahead. It is necessary to adhere to the principles, seek truth from facts, demonstrate a democratic style of work, seek no private interests, and become bosom friends, spokesmen and guides of the staff members and workers.

To improve the democratic life and system is an important issue in maintaining close ties with the masses. Comrade Deng Xiaoping has emphatically pointed out: "Trade unions must work hard for workers' rights and oppose all forms of bureaucracy. They themselves must become models in promoting democracy." In improving the democratic life and system, the most basic thing is to ensure that trade union members have the right to elect, supervise and recall

the leading members of a trade union and to decide, check and supervise all the work of a trade union. The trade unions at all levels must improve democratic centralism in accordance with the stipulations of the trade union constitution. All major issues must be decided on after collective discussions. It is necessary to regularly report the work and the financial situation of the trade union to the membership meeting or the congress. It is necessary to strictly enforce the trade union's financial system and to strengthen discipline on financial matters. It is essential to organize members or their representatives to evaluate trade union cadres and help them carry forward their achievements, overcome their shortcomings and incessantly improve their work.

To strengthen the training of trade union workers and raise their qualities is a strategic task of top priority in building trade unions. The trade unions at all levels should work out plans to train backbone leading cadres and activists on a regular basis or on a short-term rotational basis; adopt various forms to train, on a rotational basis, the majority of trade union workers throughout the country, particularly the new cadres; and train competent people for the second and third echelons of the leading bodies. Efforts must be made to strengthen the building of cadre schools for the trade unions at all levels. The school for cadres of the All-China Federation of Trade Unions should gradually become an institute for the workers' movement with the training of key leading trade union cadres at and above the county level as its main task. Schools for trade union cadres in various provinces and cities should mainly train key leading cadres for the basic-level trade unions. Those that have favorable conditions can also set up college-level classes. Basic-level trade unions should vigorously train trade union activists. Through training and self-study, the broad masses of trade union workers must be helped to grasp the basic theories of Marxism-Leninism-Mao Zedong Thought, to master the guidelines and policies of the party and state; to clearly understand the nature, guidelines and tasks of trade unions; to reach a certain cultural level; to broaden their vocational knowledge on strengthening economic management and running trade unions; and to become qualified trade union workers. The leading organs and cadre schools of the trade unions at all levels should strengthen their study of the theories and history with regard to the workers movement so as to meet the needs in carrying out the workers' movement and trade union work in the new period.

Comrades! To invigorate the Chinese nation and realize the peaceful reunification of the motherland is the common aspiration of the people of all nationalities throughout the country including the compatriots in Taiwan, Hong Kong and Macao and the overseas Chinese. It is also the glorious task which history has entrusted to us, the people of this generation. Today, at a time when we are convening the national congress of trade unions at the capital of the motherland, we anxiously think of the class brothers and sisters in Taiwan and warmly welcome staff members and workers and trade union workers to come to the mainland to visit their relatives and friends and to do business with us.

The recent important speech made by Comrade Deng Xiaoping on the issue of Taiwan fully represents the basic aspirations and interests of all the Chinese people on both sides of the straits. We wholeheartedly hope to join the staff members and workers and the trade unions in Taiwan in working hard for the reunification of the motherland.

China's trade unions must continue to vigorously develop friendly relations with the trade unions in various countries in line with the spirit of integrating patriotism with internationalism and further strengthen unity between China's working class and the proletariat in all countries. We must humbly learn from the experience in struggle and the advanced experience in science and technology of the working class in various countries to hasten the development pace of China's modernization program. We will forever stand side by side with the proletariat and people of various countries in support of the struggle of the workers and people of various countries of the third world to safeguard their own legitimate rights and interests and work hand in hand with them in waging a common struggle to oppose imperialism, hegemonism and colonialism, to safeguard world peace and to promote the progress of mankind.

Comrades: Our current congress has emphatically discussed and further clearly defined the guidelines and tasks of the workers' movement and trade union work in the new period. This will have a tremendous influence on bringing about a new situation in promoting the workers' movement and doing trade union work and in developing China's socialist modernization program. Let the 110 million staff members and workers in China unite as one; bring into full play their spirit as the masters of the working class; stand on the forefront of the four modernizations drive; resolutely put into practice the call put forward by Comrade Hu Yaobang, "Do not forget unity and hard work, strive to invigorate the Chinese nation"; work hard with one heart and one mind and together with the people of all nationalities throughout the country; and win fresh and even greater victories! No difficulty can prevent us from valiantly marching forward. The magnificent goal to invigorate the Chinese nation will definitely be realized!

CSO: 4006/106

ECONOMIC PLANNING

STATE COUNCIL APPROVES YINCHUAN CITY'S DEVELOPMENT PLAN

OW041313 Beijing XINHUA Domestic Service in Chinese 0007 GMT 4 Nov 83

[Text] Beijing, 4 Nov (XINHUA)--The State Council recently approved Yinchuan City's overall development plan.

In approving the plan, the State Council pointed out that the development of Yinchuan City requires a unified plan in line with the principle of making rational use of this ancient city, transforming it in a planned way and gradually developing new urban districts. Because these are unduly scattered, special attention should be paid to making them compact and well-knit in the course of development. Public utilities, such as water supply, drainage works, and electricity and heating should be planned, built and managed in a unified way. Existing scattered facilities, which can be incorporated, should be gradually incorporated into the city's unified public utilities systems.

Bordering on Helan Shan in the west, Yinchuan is subject to rather serious threats from mountain torrents. The State Council required that the city pay great attention to preventing floods and implement flood control plans and measures to ensure the city's safety. As the climate in Yinchuan is arid, with plenty of wind-blown sand, it is necessary to strengthen afforestation in the city. Vigorous efforts should be made to build a shelterbelt and nurseries. In urban construction, attention should be paid to developing local architectural features in order to build Yinchuan City into a modern socialist city, beautiful, clean and prosperous.

CSO: 4006/105

AGGREGATE ECONOMIC DATA

BRIEFS

SHAANXI MACHINERY PRODUCTION--By the end of September, the amount of profit submitted to the state by the enterprises at and above the county level with ownership by the people, was 88.7 percent more than in the same period last year; the amount of losses dropped by 77.8 percent, and the comparable product costs dropped by 3.8 percent. [Summary] [Xian Shaanxi Provincial Service in Mandarin 1130 GMT 25 Oct 83 HK]

JILIN REVENUE--In the first 9 months of 1983, Jilin Province fulfilled the annual revenue plan by 78.2 percent, increasing 12.6 percent over the same 1982 period. As of the end of September, 11 cities and counties, including Shuangyang, Yongji, Huadian, the outskirts of Jilin City, Lishu, Shuangliao, Dongfeng, Yitong, Qian, Changbai, and Jian, had fulfilled their annual revenue tasks. [Summary] [Changchun Jilin Provincial Service in Mandarin 1030 GMT 1 Nov 83 SK]

CSO: 4006/105

ECONOMIC MANAGEMENT

GUANGXI PARTY MEETING ON ECONOMICS CONCLUDES

HK070552 Nanning Guangxi Regional Service in Mandarin 1130 GM: 6 Nov 83

[Excerpts] A regional CPC committee meeting on economic work concluded in Nanning this morning after 4 days in session. The meeting concentrated on conveying and studying the spirit of the 2d plenary session of the 12th Central Committee, improving economic results, getting a good grasp of reducing deficits and increasing surpluses, resolutely fulfilling the region's task of reducing deficits by 28 million yuan this year, and making arrangements for production in the last 2 months of this year and preparations for next year's production. Reducing deficits and increasing surpluses was the main item on the agenda.

Wei Chunshu, deputy secretary of the regional CPC committee and chairman of the regional government, and Zhou Guangchun and Chen Huiguang, deputy secretaries of the regional CPC committee, attended the meeting and made speeches. Also present were Zhang Shengzhen, Gan Ku, Wang Rongzhen, and Wu Keqing, vice chairmen of the regional government, and adviser Luo Ming.

From 1978 to 1982, the region's industrial and agricultural production increased by 30 percent, while profit turned over by enterprises to the state dropped by 66 percent, and financial revenue dropped by 7 percent. Due to the fall in revenue plus the excessive increase in administrative expenditure, local capital construction investment fell by 19.5 percent.

There are many reasons for the drop in profits turned over to the state by the enterprises. The main ones are that the quality of enterprises is not high, management standards are low, product quality is poor, input consumption and production costs are high, and there are heavy losses. Some 30 percent of the region's industrial enterprises are running at a loss. Last year, losses due to policy or to poor management accounted for 37 percent of entire financial revenue. Hence it is essential to resolutely change the situation of growth in production and decline in financial revenue.

In order to solve this problem, the conference held: It is essential to enhance ideological understanding and shift economic work onto the track of centering on improving economic results. At the same time, it is necessary to correctly handle five relationships: between economic results and production growth rate; between economic results and the aims of production;

between economic results and distribution according to labor; between economic results and enterprise quality, including the leadership groups and the workforce; and between economic results and the interests of the overall situation.

In view of the region's poor economic results and heavy losses, the meeting studied and formulated specific measures for reducing deficits:

1. All areas and departments must resolutely follow the command targets set by the regional government for cutting losses in the state-owned enterprises this year, and rapidly set targets for each enterprise.
2. Leaders at all levels must personally take responsibility and set up responsibility systems for management at each level.

It is necessary to treat the work of reducing deficits and increasing surpluses as a focal point in enterprise consolidation this year and next, and get a good grasp of it. This year, in connection with handling problems left over from the cultural revolution, it is necessary to readjust and assign well the leadership groups in 78 key large and medium enterprises and units running at a big loss, and strive to basically complete the consolidation work in 1984.

In connection with carrying out an inspection of finances and cracking down on economic crime, the enterprises must straighten out and strengthen management of wages, perfect their internal responsibility systems, tap internal potentials, economize expenditure, and strictly observe financial and economic discipline. They are not allowed to submit false reports, arbitrarily hike or force down prices, or lower quality grades. It is forbidden to extort indiscriminate charges from enterprises. It is strictly forbidden to indiscriminately pay bonuses or subsidies, or make payments in kind. All loopholes must be blocked.

CSO: 4006/105

ECONOMIC MANAGEMENT

NINGXIA HOLDS CONFERENCE ON ECONOMIC RESULTS

HK100339 Yinchuan NINGXIA RIBAO in Chinese 22 Oct 83 p 1

[Report: "Regional People's Government Holds Telephone Conference, Calling On Industrial and Communication Enterprises to Strive to Raise Economic Results and Continue to Turn Losses Into Profits"]

[Text] On the night of 20 October, the regional people's government held a telephone conference to call on all industrial and communication enterprises in the region to adopt resolute and effective measures, and to continue to grasp firmly the work of turning losses into profits in the next 2-odd months, so as to ensure that we would fulfill and overfulfill the plan of turning losses into profits which was put forward by the provincial seminar on industrial and communication work.

The regional seminar on industrial and communication work which was held in August put forward the demand that enterprises which incurred losses should make up their deficits by 30 percent and profitable enterprises should increase their profits by 30 percent. Through the arduous work of all localities and all departments, the region has made specific success in the work of turning losses into profits. From January to September, according to the regional budget, the profit of the state-run industrial enterprises after losses has increased by six times when compared with the same period last year. Among this figure, the deficit amount of enterprises incurring losses has been cut back by 16.9 percent when compared with the same period last year; whereas the amount of surplus of profitable enterprises has been increased by 79.3 percent when compared with the same period last year.

At the telephone conference, the responsible comrades of the regional economic committee pointed out: Our region has only fulfilled one-third of the task of cutting back losses in the first three-quarters of this year. We have to fulfill the remainder of the task in the remaining time, and there are many difficulties and unfavorable factors. Therefore, all localities and all departments must act immediately, and mobilize the staff and workers to make up deficits and to increase profits in the spirit of racing against time. Particularly, those 16 enterprises directly under the regional administration, whose deficit amount accounts for 80 percent of the total regional deficit, must immediately adopt resolute and effective measures so as to put

an end to the passive state of affairs. Enterprises under prefectural, city, and county administrations, though they have achieved more success than the regional enterprises in the work turning losses into profits, still possess great potential. They must continue to work hard and must not slacken off.

Comrade Li Yunhe, deputy secretary of the regional CPC committee and vice governor of the region, who presided over the conference, said in his speech: We earnestly accept the criticism of RENMIN RIBAO of the poor economic results of the industrial economy in Ningxia as well as its demands on exerting our efforts to fulfill the work of turning losses into profits. In addition, we urge the local government at all levels to strengthen their leadership over the work in a practical way, and urge all responsible comrades who are in charge of economic work management at all levels to fix their units of connection so that each enterprise which has incurred losses has a responsible comrade to assist the work of turning losses into profits. All localities and competent departments of enterprises must establish the responsibility system in the work, and fulfill the task of turning losses into profits down to every enterprise by means of various forms, such as establishing "military orders" or signing "instruments of job responsibility." All enterprises should also assign targets for turning losses into profits to every level, fulfill the task down to workshops and offices as well as down to every worker, and conduct strict assessment by treating the work as an important aspect of the economic responsibility system. They should resolutely carry out the practice of distributing funds retained after cutting back losses on a proportional basis to enterprises which have overfulfilled the assigned targets of turning losses into profits, as well as the award and punishment measures, which were put forward by the regional seminar on industrial and communication work, of distributing neither the retained funds to the enterprises which cannot fulfill the originally assigned annual targets nor the bonus to its staff and workers. Regarding those enterprises which cannot make up deficits within a fixed time, we must resolutely close or merge them, or stop or change their production. In addition, we shall no longer allocate subsidies to cover the losses of these enterprises, nor readjust the wages of their staff and workers. Their secretaries and factory directors must resign of their own accord or will be removed from their offices on the spot. All enterprises must announce their targets for turning losses into profits to the broad staff and workers, and mobilize the masses to start with the saving of a penny, a kilowatt-hour of electricity, and a liang of coal. They must extensively carry out in-depth activities of increasing production by means of saving, and increasing income by means of cutting back expenditure, and work hard to improve the economic results.

At the conference, Yang Huiyun, vice chairman of the region, also spoke on acting in the spirit of the circular of the State Council on conducting large scale financial check-up. She urged all localities and all departments to strengthen the organizational leadership, seriously, conscientiously, and thoroughly grasp the work firmly and well in a down-to-earth manner, and see it through.

CSO: 4006/105

ECONOMIC MANAGEMENT

HUNAN FORUM ON TURNING LOSSES INTO PROFITS

HK071450 Changsha Hunan Provincial Service in Mandarin 1100 GMT 3 Nov 83

[Summary] The Hunan provincial on-the-spot forum on making up deficits and increasing surpluses held by the provincial people's government concluded in Lengshuijiang City on 30 October. The conference demanded: "Leaders of all prefectures and departments must further heighten their understanding, really strengthen leadership, grasp the work of making up deficits and increasing surpluses in a down-to-earth manner and well, and achieve outstanding results."

At the forum, responsible comrades of all prefectures, autonomous prefectures, and cities and relevant departments and bureaus at the provincial level seriously studied the spirit of the relevant speeches on making up deficits and increasing surpluses by leading comrades of the central authorities, exchanged experiences, and studied the experiences of the Zhijiang coal mine, the Lengshuijiang iron plant, and Hengyang City.

Liu Zheng, secretary of the provincial CPC committee and governor; and Zhou Zheng and Yu Haichao, vice governors, attended the forum and delivered speeches.

The forum held that since the beginning of this year, the province had achieved certain results in making up deficits and increasing surpluses. The amount of deficits of local state-run enterprises throughout the province from January to September was 15.5 percent less than in the same period last year. "However, on the whole, the work of making up deficits and increasing surpluses is still not very ideal. The quota assigned by the province has not been fulfilled. Our work is far from meeting the requirements of the central authorities."

The forum emphasized: "The key to grasping well the work of making up deficits and increasing surpluses lies in leadership and in whether or not leaders' ideology and understanding is correct. The experiences of many units have shown that to make up deficits, it is necessary first to correct ideology, and that to increase surpluses, it is necessary first to enhance understanding. The important reason for deficits is that our subjective efforts are insufficient. Leaders at all levels must conscientiously find

subjective discrepancies, strictly examine themselves and eliminate all ideological obstacles that 'deficits are rational and there is no way to reduce deficits'."

The comrades attending the forum held: "We must regard making up deficits and increasing surpluses as a tough battle. Leaders at all levels must not only personally take the lead but must also organize a large number of cadres to go down to carry out inspection and supervision."

CSO: 4006/105

ECONOMIC MANAGEMENT

YUNNAN ACHIEVES 'BETTER' RESULTS IN INDUSTRY

HK040856 Kunming Yunnan Provincial Service in Mandarin 2300 GMT 1 Nov 83

[Text] In the third quarter of this year, industry in our province achieved better economic results and turned the past tendency toward a decline into a tendency of growth regarding profits realized and delivered to the state. The tendency of increasing production costs in the past had also been changed into a downward trend. The target of increasing the annual amount of taxes and profits delivered to the state by 100 million yuan has been attained 1 quarter ahead of schedule.

In the first half of this year, industry in our province failed to achieve satisfactory economic results. Profits earned fell by 2.5 percent as compared with the same period last year. Profits handed over to the state also decreased by 26.4 percent. Through the efforts of various parties, the declining tendency has now been turned into a growing tendency. Production costs in real terms in September were reduced in spite of the successive increases in the first 8 months of the year. Sales in industrial enterprises in the first 9 months increased by 10.7 percent, while industrial output value in the same period increased by 10.8 percent. By the end of the third quarter, taxes and profits handed over to the state by industrial enterprises covered by the state budget had reached a total of 853 million yuan, an increasing of 17.2 percent over the same period last year, or by 125 million yuan. Thus, the target of increasing taxes and profits turned over to the state by 100 million yuan in a year was attained ahead of time.

The reasons for the achievement of better economic results in the third quarter in our province's industry are mainly: The provincial CPC committee and the provincial people's government strengthened their leadership over industrial production and set the guiding principle to rights, that is, focus all work in industrial production on the achievement of better economic results. Since June, the authorities concerned have established and persisted in carrying out the system of conducting a regular monthly examination and assessment of economic activities. Thus, due measures could be promptly adopted to resolve existing problems. Efforts have been concentrated on 110 key enterprises which have a great influence in the province's industry.

The relevant provincial department pointed out: In the last quarter of this year, efforts must be focused on prompting enterprises which have incurred losses to make profits. The five measures put forth by the recent urgent meeting held by the provincial governor must be resolutely implemented. All plans for achieving better economic results this year must be fulfilled in an all-round way.

CSO: 4006/105

ECONOMIC MANAGEMENT

LIAONING GOVERNOR STRESSES STOPPING DEFICITS

SK051016 Shenyang Liaoning Provincial Service in Mandarin 1030 GMT 4 Nov 83

[Text] At the provincial work conference on stopping deficits and increasing profits, Provincial Governor Quan Shuren pointed out: Stopping deficits and increasing profits should be regarded as a task of prime importance in future economic work. In stopping deficits and increasing profits, it is necessary to define the bounds of duties and implement the system of leading persons assuming responsibility.

The provincial people's government has demanded: By the end of this year, a 50 percent reduction should be achieved in the number of industrial enterprises operating at a loss across the province as well as in the amount of deficits. In 1984 the deficit-reversing target for industrial enterprises will be: On the basis of this year's achievements in stopping deficits and increasing profits, the losses caused by poor management and operation must be basically eliminated by the end of 1984, the losses caused by policies should be reduced by another 20 percent and the money-losing products and the deficits of profitmaking enterprises should be reduced by another 30 percent or more.

Governor Quan Shuren pointed out: To fulfill the above-mentioned work task, it is necessary to define the bounds of duties and implement the system of leading persons assuming responsibility so as to fulfill the task of stopping deficits and increasing profits in a down-to-earth manner. He said: From the province, cities, counties, districts to the grassroots units, each level should have its own system of reversing deficits. To enable enterprises to change deficits to profits, plant directors and managers should assume responsibility within enterprises; the provincial governor, city mayors and county magistrates should be responsible for the work in administrative regions; and directors of departments and bureaus in charge of the work in the province and in various cities and counties should assume responsibility so far as a trade or profession is concerned. In case of failure in fulfilling the deficit-reversing task, the directors of departments and bureaus in charge of the work and plant directors and managers should be held accountable.

Governor Quan Shuren stressed: By the method of calling somebody to account we mean to give rewards and penalties, not [words indistinct]. Those leading cadres who have been unable to stop deficits for a long time should be readjusted and some of them should be dismissed.

CSO: 4006/105

ECONOMIC MANAGEMENT

BRIEFS

NEI MONGGOL DEFICIT--Unlanqab League, Nei Monggol Region, scored marked achievements in switching losses to profits among industrial enterprises. In the January-September period this year, the league's deficit sum scored 40 percent less than the figure of the corresponding 1982 period. Its number of money-losing enterprise scored a 47 percent decrease. As of now, 26 enterprises across the league have successfully switched their losses that they have suffered since early this year to profits, which have played an important role in increasing the league's economic returns. [Excerpts] [Hohhot Nei Monggol Regional Service in Mandarin 1100 GMT 27 Oct 83 SK]

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INDUSTRY

OFFSHORE PETROLEUM EQUIPMENT INDUSTRY STRESSED

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[Article by Fan Muhan [5400 1970 7281]: "Develop the Offshore Petroleum Equipment Manufacturing Industry"]

[Text] Setting up bases at some distance from the shore for the exploration and recovery of petroleum has become an important way of developing energy resources in today's world. In the past 4 decades, hundreds of oil-extraction platforms have been set up in various places, from the calm and tranquil Gulf of Mexico to the stormy and billowy North Sea. They have continuously been sending petroleum and natural gas to oil stations on land. A platform generally has 20 production wells, including a number of gas- and water-injection wells. They form a production platform covering several thousand square meters. Its annual output can reach 20 million tons or even more. Judging from this angle, we can say that an offshore production platform is like an oilfield on land, the difference being that the former combines various engineering functions, such as drilling, separation of oil from gas, transportation of oil and gas, and power installations, which normally are scattered over several square kilometers on land, and installs them on a deck supported by a conduit frame, thus forming a modern off-shore oil-extraction platform. Reportedly, in the late 19th century, a U.S. oil company built the first platform with wood in the shallow waters off the West Coast and then linked it to the land with a landing ramp. It was not until the 1940's that the first steel platform was manufactured and installed in the Gulf of Mexico. Its conduit frame could support a deck at a depth of 20, 100, or 200 meters. Its load-bearing capacity also greatly increased. The modules of various equipment could be scientifically and ingeniously assembled on the deck by pyramiding. Consequently, it became a modern production platform, expanding oil wells to an area of several square kilometers.

At present, the development of off-shore oil-extraction platforms is continuing. 1) They now extend to deep-water areas and can recover oil from a depth of more than 300 meters; and 2) they employ a semisubmerged drilling platform or ship as an oil-extraction platform to extract oil in satellite or marginal oilfields and, after its output has reached a peak, can be hauled to a new oilfield for another operation. This is economically profitable.

The offshore petroleum equipment manufacturing industry has now developed into a systematic and developing industrial department. The basis of this industrial department is the shipbuilding industry. In developing the off-shore petroleum industry, the United States, Britain, and Norway utilized the domestic shipbuilding industry in the production of platforms, because a shipyard usually has a fairly convenient deep-water pier, from which a completed conduit frame can be moved into a barge and then towed to a predetermined site. It is also because the basic technology of shipbuilding can be used in the construction of conduit frames. For example, the materials, the rolling of steel plates, and the welding technology are similar. China has a powerful shipbuilding industry. Although our task in shipbuilding is still very arduous and it is impossible to turn all shipyards to the production of platforms, we should speedily organize the construction of platform conduit frames through planning. At present, our shipyard has succeeded in building a self-elevating platform and is building three semisubmerged ones. We have gained some experience. However, we do not as yet have the experience of building a production platform. We should, therefore, vigorously train personnel in order to lay a foundation for contracting the construction of platforms.

It is also necessary for the off-shore equipment industry to have its own designing and contracting body, which is generally called an engineering consultant or engineering designing company. The tasks of this company include, among other things, undertaking basic and detailed designs for platforms making purchases, supervising production, linking, general assembling, trial operation, and so on. We call this company a "manager" of the petroleum company. That is to say, after completing a conceptual design for a site which has been won in tender, the petroleum company can choose a consultant company as its "manager" through tenders. With the exception of approving and signing contracts, the petroleum company need not engage in specific business, such as designing, manufacturing, and general assembling. Naturally, a "manager" does not personally take a hand in everything. On most occasions, it delegates some stipulated tasks to various sub-contractors chosen through tenders. The "manager" only supervises the completion of these projects.

The developing off-shore petroleum equipment industry is formed by various departments, such as the shipbuilding, electronics, and machinebuilding industries. Judging from the angle of organization and management, capitalist countries do not have the problem of different departments or transdepartments; they only have the question of whom to serve. In our country, however, we should organize various professional companies into a unified force.

In order to provide equipment and service for oil exploitation in our country, it is first of all necessary to solve the question of the manufacturing capability of existing enterprises. Before developing the North Sea oilfield, Britain and Norway were not familiar with the technology and equipment needed in the exploitation of off-shore oil. Approximately in the early 1970's, when the prospecting was nearly finished and commercial production was started, they vigorously organized domestic industries to provide various technology and equipment for off-shore oil exploitation. By 1982, the domestic

equipment provided by Britain and Norway had respectively accounted for 73 percent and 54 percent of the total investment in equipment. This has brought extremely notable advantages to the domestic economy. It has not only changed a situation characterized by heavy purchase of foreign equipment but also promoted the development of domestic industries and raised the technical level of scientific research and production. At present, the work of exploiting our off-shore oil has gradually got under way. It is necessary for the off-shore petroleum equipment manufacturing industry to lose no time in catching up with the work. We should promote the technological progress and development of the machinebuilding industry as a whole by providing quality technological equipment and service in the exploitation of off-shore oil. Moreover, we should satisfactorily solve the technological and technical problems and provide service and competitive equipment which the oil companies are ready to adopt. Calculated from the time when steel-structured platforms were manufactured, the exploitation of off-shore oil has a history of nearly 4 decades. We already have relatively well-tested and advanced products in engineering designs, the construction of conduit frame, or the manufacture of modules and main engines. Therefore, in developing China's off-shore petroleum equipment manufacturing industry, we should adopt the principle of importing well-tested technology from advanced countries. This not only can save time in manufacturing advanced off-shore petroleum equipment but also raise the starting point of our scientific research. In developing the off-shore petroleum industry, we should not start from the existing technological basis of our country but should carry out scientific research on the fairly advanced technological basis attained elsewhere in the world.

Judging from the present capability of our shipbuilding, machinebuilding, and electronic industries, we will likely provide advanced technological equipment and service for the off-shore oilfields in the not too distant future. The question is that we should have a strong unified leadership, correct organizational management, a correct policy on the introduction of technology, and effective measures. It is wholly possible for China to develop this developing industry. Naturally, under our country's industrial management system, we do not have to set up another department but should combine various forms of professional companies. Only by developing the off-shore petroleum equipment manufacturing industry will it be possible for us to supply advanced and cheap equipment and service for the exploitation of off-shore oil and thus speed up the exploitation of China's off-shore oilfields.

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